

Library and Archives Canada

2005 - 2006

Departmental Performance Report

Beverly J. Oda
Minister of Canadian Heritage and Status of Women

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Ottawa, Canada K1A 0M5



As Minister of Canadian Heritage and Status of Women, I present Library and Archives Canada's (LAC) 2005-2006 *Departmental Performance Report* (DPR) to Parliament and to Canadians. This report represents a major step forward for LAC, a detailed record of the activities and achievements of an institution that is no longer in transition, but working towards the realization of its mandate, offering new services to Canadians and providing greater access to our national heritage.

Through systems integration and improvements LAC has enhanced its capacity to serve Canadians of all ages and cultures, wherever they live.

A great deal of work was carried out behind the scenes during the evolution of this new organization.

Beverley J. Oda

Message of the Librarian and Archivist of Canada

When Library and Archives Canada was created in 2004, Parliament confirmed a new mandate that encouraged us to become a new kind of knowledge institution with a truly national scope.

To achieve the ambitious goals that flow from our mandate, we recognized the need for clear direction and strategic choices to make best use of the resources allocated by Parliament. We achieved that clarity by crafting a shared corporate vision for everyone in LAC, digging deep in the organization and its culture. This was a year of continuing and substantive transition for the institution as we worked to implement the vision and the plans developed in our Transformation process. This is a major, institution-wide process affecting the whole organization, our services and the way in which most staff work, focusing on the needs of our clients, and adapting to new technologies. Our transformation process enabled us to define compelling priorities and align them with our vision. During the 2005-2006 fiscal year, we addressed those priorities in many ways.

One of our most fundamental, ongoing roles is to facilitate the management of Government of Canada records; so that the decisions, deliberations and the day-to-day operations of a dynamic federal government are preserved, in line with the requirements set by Parliament. In a time when federal departments and agencies are increasingly aware of the importance of effective record keeping for decision-making and accountability, we are helping lead government-wide efforts to revise information management policies and serve as a centre of expertise and source of tools for departments and agencies as they organize and preserve their records of value.

LAC assumed a national leadership role in developing a pan-Canadian digital information strategy, which will do a great deal to ensure that important websites, e-publications and other elements of Canada's growing volume of digital information are preserved and made accessible. We have set an ambitious agenda, which will carry over in the next fiscal year working with our partners, representatives from all parts of the information community, to develop a Canadian Digital Information Strategy.

For most Canadians, Library and Archives Canada is synonymous with collections that contain much of Canada's rich documentary heritage. Collections are the very heart of LAC; they are permanent – they define Library and Archives Canada. Our goal is to establish LAC as a prime learning destination with collections that are accessible to people across Canada and around the world. We made progress toward that goal by making it simpler for Canadians of all ages to connect with us and explore the collections through initiatives such as a new search engine on our website. We also acted on our responsibility for effective stewardship of the collection through work that will result in a 25-year strategy to preserve and house the collections; to support adequate and inviting public, research and exhibition space; and to provide a safe, productive and welcoming working environment.

Through those and many other actions, Library and Archives Canada is a major contributor to the cultural, social and economic advancement of Canada. As this report demonstrates, we are focusing attention and resources on the activities that make the greatest difference so current and future generations of Canadians have access to their documentary heritage.

Ian E. Wilson

Management Representation Statement

I submit for tabling in Parliament, the *2005-06 Departmental Performance Report* for Library and Archives Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the TBS guidance;
- It is based on the department's approved 2007-2008 Program Activity Architecture approved by Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada in the DPR

Ian E. Wilson
Librarian and Archivist of Canada

Mandate of Library and Archives Canada

The preamble of our enabling legislation, the *Library and Archives of Canada Act*, states that the mandate of Library and Archives Canada is:

- to preserve the documentary heritage of Canada for the benefit of present and future generations;
- to serve as a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society;
- to facilitate in Canada cooperation among the communities involved in the acquisition, preservation and diffusion of knowledge; and
- to serve as the continuing memory of the Government of Canada and its institutions.

The *Library and Archives of Canada Act* introduced a new legal concept “documentary heritage”, which includes publications and records in all media related to Canada. The Act strengthens the mandate of the institution to preserve this documentary heritage by providing for online publications and future new media to be included in legal deposit, for archiving Web sites of interest to Canada, and for the transfer of any government records deemed to be at risk. The legislation also provides an explicit mandate to make Canada’s documentary heritage known and understood by Canadians and those interested in Canada.

Summary Information

Financial Resources

Planned	Authorities	Actual
\$151,360,000	\$115,577,900	\$113,900,300

Note: The total Planned Spending includes \$53,283,000 re-profiled into future years.

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
1,152 FTEs	1,128 FTEs	(24) FTEs

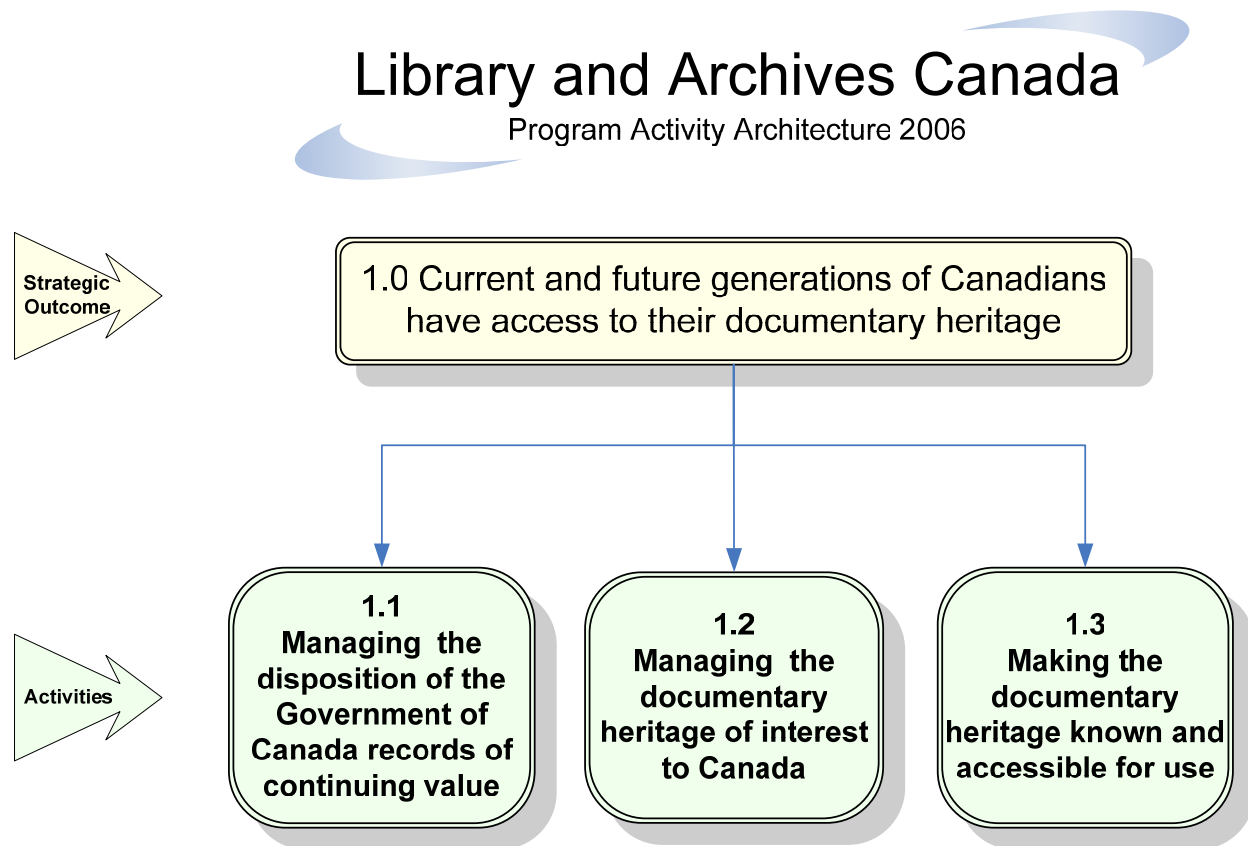


An Enhanced Strategic Approach to Priority-setting and Reporting for Library and Archives Canada

The *Report on Plans and Priorities for 2005-2006* was based on a reporting structure with three strategic outcomes and nine activities. It reflected the organizational structure that was put in place when the National Library of Canada and the National Archives of Canada were integrated to form Library and Archives Canada.

As part of our transformation to an organization that will fulfil the mandate set out on the following page, we decided to build our Program Activity Architecture (PAA) around a far more strategic orientation. Accordingly, we have identified a single strategic outcome, supported by three program activities, which are depicted below. This PAA provides a clearer basis for us to report to Parliament and to Canadians about our goals, our achievements and the strategies and actions that represent our path to the future.

In practice, this means a Departmental Performance Report that includes information on every priority to which we committed ourselves in the 2005-2006 RPP. It also means a DPR with a more consistent focus on our strategic directions and results, so that we provide a clearer report on our progress and on areas where we still have more to do.



Summary of Departmental Performance

Strategic Outcome:			
1.0 Current and future generations of Canadians have access to their documentary heritage			
Alignment to Government of Canada Outcomes: A vibrant Canadian culture and heritage			
Program Activity	2005-2006 Commitment	Results	Current Status
1.1 Managing the disposition of the Government of Canada records of continuing value	Enable a business-based approach to information management across federal government departments and agencies to establish a government-wide IM program linked to the government's business objectives and accountabilities.	Along with other partner departments and agencies, we realigned LAC's focus on its core responsibilities related to record keeping; we contributed to the redrafting of the government-wide IM policy; and we developed a new IM accountability framework.	Met
	Complete a Government of Canada-wide function-based classification system and developing records management metadata.	We developed, validated and tested the Business Activity Structure and Classification System (BASCS), which provides a consistent way for departments and agencies to classify records for the first time	Met
	Establish a strategy to ensure that electronic information is effectively managed throughout its life cycle with enterprise-wide systems, and ensuring that electronic systems are the Government of Canada's preferred means of creating, using and managing information	We created a Records Management Metadata Standard (RMMS), which sets out how records and the information they contain should be classified.	Met
	Provide valued, cost-effective information management services to the Government of Canada by developing a new model for storing Government of Canada records of business value in all media.	Deferred action while we took a closer look at a more-focused approach.	Deferred.
	Develop and implement the initial phase of a strategy to increase the capacity of federal libraries to provide high-quality information services.	Initial phase of a three-year strategy for the Government of Canada's federal libraries completed.	Met.



Program Activity	2005-2006 Commitment	Results	Current Status
1.2 Managing the documentary heritage of interest to Canada	Develop an acquisition strategy in the context of collaborative partnerships with other institutions across Canada.	A policy direction for LAC and collection development priorities for the 2005-2010 period introduced.	Met
	Extending legal deposit to electronic publications and maps.	Regulatory process was delayed due to the dissolution of Parliament. Even though the regulatory process is not yet in place, LAC continues to negotiate agreements with many departments to archive their Internet-based publications for long-term preservation and make them accessible to Canadians.	Partially met Carried over to 2006
	Address the challenges of acquiring, managing and preserving digital collections.	Implemented the Collection Development Framework.	Met
	Put in place processes to archive Web sites of interest to Canada.	We have already archived more than 20,000 e-publications and we refined the harvesting to improve results, we collected all of GoC websites (1,459). We also tested an online system that enables departments and agencies to transfer electronic records to us.	Met
	Address the Auditor General of Canada's recommendations for protecting government records of archival and historical value.	We made progress on RDACS by adding a functionality that allows archivists to monitor the terms and conditions of agreements with departments for the transfer of archival records; issued nine Records Disposition Authorities; and received 22,320 containers of archival material from government and private donors.	Met
	Address the Auditor General of Canada's recommendations for the care of Canada's documentary heritage collection.	We completed the move of unique and valuable materials to our preservation facility in Gatineau and we developed risk-management tools.	Met
	Develop a framework for using metadata, elements of descriptive information about archival and bibliographic resources, as a new approach for enhanced user access to our collection.	We finalized a draft of the metadata framework and distributed it for consultation to internal and external stakeholders to get their agreement to our approach.	Met
	Initiate the design of the next generation system called AMICAN, which will present the holdings of Library and Archives Canada in a single database, handle digital objects, and provide seamless access to the collection.	We moved many relevant databases of our archival holdings to an integrated archival description system and began implementation of the first phase of a "federated search" that offers simultaneous searching of our collection descriptions.	Met

Program Activity	2005-2006 Commitment	Results	Current Status
1. 3 Making the documentary heritage known and accessible for use.	Implement re-designed client services, strengthen service performance measurement, and provide seamless, efficient, multi-channel access to Canada's documentary heritage.	We modernized client service in many ways such as improved access, introduction of wireless internet access and self-serve digital copying, redesigned website and began the implementation of a Query Management System.	Met
	Improve service to Canadians by improving processes for providing access to government records.	Eliminated ATIP request backlog, amalgamated units and developed new procedures and developed a risk management approaches to our file review processes.	Met
	Deliver innovative programming to meet the diverse information needs of Canadians.	Developed and launched new online and public programming and developed a program strategy.	Met
	Renew Library and Archives Canada's grants and contributions program for assisting in the development of Canada's archival system.	Achieved approval for the National Archival Development Program (NADP) and began to define performance measures.	Met
	Maintain and enhance the Portrait Gallery's awareness activities and collection development, and its Web presence on Library and Archives Canada's Web site.	Made significant progress in building national awareness and partnerships of the Portrait Gallery program with various stakeholders.	Met

Crosswalk Between Former Program Activities Architecture and Revised Program Activities Architecture approved in June 2006

2005-2006				
(\$ thousands)	New Program Activity # 1.1 Managing the disposition of the Government of Canada records of continuing value	New Program Activity # 1.2 Managing the documentary heritage of interest to Canada	New Program Activity # 1.3 Making the documentary heritage known and accessible for use	Total
Old Program Activity 1.1 : Development of Collection				
Main Estimates	-	29,817.0	-	29,817.0
Planned Spending	-	31,947.0	-	31,947.0
Total Authorities	-	29,966.2	-	29,966.2
Actual Spending	-	36,261.3	-	36,261.3
Old Program Activity 1.2 : Description of Collection				
Main Estimates	-	14,700.0	-	14,700.0
Planned Spending	-	15,407.0	-	15,407.0
Total Authorities	-	21,146.8	-	21,146.8
Actual Spending	-	14,207.9	-	14,207.9
Old Program Activity 1.3 : Care of Collection				
Main Estimates	-	16,487.0	-	16,487.0
Planned Spending	-	40,193.0	-	40,193.0
Total Authorities	-	18,082.8	-	18,082.8
Actual Spending	-	18,084.9	-	18,084.9
Old Program Activity 2.1 : Services				
Main Estimates	-	-	18,031.0	18,031.0
Planned Spending	-	-	18,950.0	18,950.0
Total Authorities	-	-	21,150.6	21,150.6
Actual Spending	-	-	21,164.9	21,164.9
Old Program Activity 2.2 : Programs				
Main Estimates	-	-	2,413.0	2,413.0
Planned Spending	-	-	2,616.0	2,616.0
Total Authorities	-	-	10,107.6	10,107.6
Actual Spending	-	-	9,947.8	9,947.8

Crosswalk Between Former Program Activities Architecture and Revised Program Activities Architecture approved in June 2006 (continued)

2005-2006				
(\$ thousands)	New Program Activity # 1.1 Managing the disposition of the Government of Canada records of continuing value	New Program Activity # 1.2 Managing the documentary heritage of interest to Canada	New Program Activity # 1.3 Making the documentary heritage known and accessible for use	Total
Old Program Activity 2.3 : Portrait Gallery of Canada				
Main Estimates	-	-	157.0	157.0
Planned Spending	-	-	30,530.0	30,530.0
Total Authorities	-	-	2,270.4	2,270.4
Actual Spending	-	-	1,918.1	1,918.1
Old Program Activity 3.1 : Information Management Strategies				
Main Estimates	1,794.0	-	-	1,794.0
Planned Spending	1,870.0	-	-	1,870.0
Total Authorities	1,710.2	-	-	1,710.2
Actual Spending	1,984.2	-	-	1,984.2
Old Program Activity 3.2 : Information Management Solutions				
Main Estimates	2,561.0	-	-	2,561.0
Planned Spending	2,666.0	-	-	2,666.0
Total Authorities	2,770.3	-	-	2,770.3
Actual Spending	2,691.3	-	-	2,691.3
Old Program Activity 3.3 : Information Management Services				
Main Estimates	6,934.0	-	-	6,934.0
Planned Spending	7,181.0	-	-	7,181.0
Total Authorities	8,373.0	-	-	8,373.0
Actual Spending	7,639.9	-	-	7,639.9
TOTAL				
Main Estimates	11,289.0	61,004.0	20,601.0	92,894.0
Planned Spending	11,717.0	87,547.0	52,096.0	151,360.0
Total Authorities	12,853.5	69,195.8	33,528.6	115,577.9
Actual Spending	12,315.4	68,554.1	33,030.8	113,900.3

- 1- The total Planned Spending includes an amount of \$53,283,000 re-profiled into future years.
- 2- Total authorities includes funding received from 2005-2006 Governor Special Warrants and they are allocated by program activities.
- 3- Corporate Services costs have been distributed to each of the Program Activities as per the distribution formula approved by the Treasury Board Secretariat.





YEAR IN REVIEW

Year in Review

As we indicated in our *Report on Plans and Priorities for 2005-2006*, our vision is to become a prime learning destination, a lead institution in information management within the Government of Canada, and an institution with national presence and greater capacity to serve Canadians of all ages, cultures and regions. During the year, we made clear progress towards our goals, while recognizing that we have more to do and will need more resources to achieve our mandate.

This was the final year for our transformation funding received to integrate the predecessor organizations that were brought together to create Library and Archives Canada. Some of this has been achieved through actions such as creating a stable organizational structure and relocation of a substantial number of staff to Gatineau, Quebec adjacent to the Gatineau Preservation Centre. It was supported by the move of many of the most vulnerable literary manuscript and music items in our collection to the LAC Preservation Centre from various locations that the Auditor General and our staff had found to be substandard, as well as work on a new approach to storage of the collection.

More visible to users of our programs and services has been our Service Delivery Transformation Initiative that resulted in changes such as a single website, a new Query Management System that allows us to track user requests effectively, the renovation of our public facilities in Ottawa to bring them in line with user needs and a new National Archival Development Program that provides support to Canada's archival community.

We also reached out to Canadians with new programming and new resources, much of it online. For example, our Silver Screen website brings information to Canadians on early films about and for Canadians, while the 1911 Census online adds an important resource for historical, genealogical and other researchers no matter where they are.

Other initiatives identified improvements in services that we could make with existing resources. For example, we amalgamated units and improved procedures related to responding to requests under the *Access to Information Act*. By doing so, we eliminated our entire backlog of requests.

One major priority has been to address the growing wealth of digital content such as Internet-based publications and websites, and to find effective, sustainable ways to acquire, describe, manage and preserve access to it. As part of our new Collection Development Framework, we created a Digital Collection Development Policy that has focused our efforts to select Canadian websites and e-publications of all types for acquisition and guided our partnerships with other institutions with similar interests as part of work towards a Canadian Digital Information Strategy (CDIS).

Another major priority has been to improve the organization of our extremely diverse collection. A key challenge, and one that will take time to address fully, is to further the

development of AMICAN, which will organize our multiple databases that describe the contents of our collection, which are now organized in MIKAN, for our archival collection and AMICUS, for our bibliographic collection. During 2005-2006, we achieved some integration of the databases, supported by a new search engine that enables users to conduct a search of our databases.

A related initiative has been to develop and implement a common approach for the description of resources in all media, known as metadata. We have already begun to use this approach to help our Records Disposition organize the almost 1,500 Government of Canada websites that we have collected for preservation, so that users can find sites easily and consistently.

We have begun to refine our efforts on the responsibilities that we have in the *Library and Archives of Canada Act* for Government of Canada management of records with archival and historical value. A key element in this has been our work with partners on a new Information Management policy for federal departments and agencies that should bring about more consistent ways for records keeping, with LAC providing skilled guidance to support this change. This complements work that we are doing to introduce the Business Activity Structure and Classification System (BASCS), which provides a consistent way for departments and agencies to classify records. We also moved forward on other initiatives in these areas such as providing on-line access for departments and agencies to our Records Disposition Authority Control System (RDACS), which enables institutions to identify, monitor and manage the official status of their records in terms of retention and disposal under the *Library and Archives of Canada Act*.

While we have made substantial progress, we continue to face challenges that we will need to address to deliver on our mandate and deliver high-quality services to Canadians. For example, sustainability will depend on having the staff and resources necessary to meet our legislated obligations. The infrastructure that houses our collections will need to be improved, as the Auditor General has recognized, and information technologies will be an increasingly critical element of managing our collection and making it accessible to Canadians and to people around the world interested in Canada.

We will do our part to build for the future by continually identifying how to get the best results from our resources and by developing strategies that focus clearly on meeting our priorities. We will extend our work with partners in the Government of Canada and among Canada's archival and library communities to build collaborative solutions to common issues.





ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome: Current and future generations of Canadians have access to their documentary heritage

Program Activity: 1.1

Managing the disposition of the Government of Canada records of continuing value.

Through the issuance of Records Disposition Authorities, the development of record keeping advice, tools and guidance, and the provision of Federal Records Centre services for departments of the government of Canada, LAC enables and facilitates the management of information within federal agencies and ensures that government's archival and historical records are identified and appropriately preserved.

Financial Resources:

Planned	Authorities	Actual
\$11,717,000	\$12,853,500	\$12,315,400

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
170 FTEs	169 FTEs	(1) FTE

Our broad legislated mandate “to serve as the continuing memory of the Government of Canada and its institutions” is defined specifically by Section 12 and 13 of the *Library and Archives of Canada Act*. Those sections relate to our responsibilities, and those of departments and agencies, related to the disposal of government and ministerial records.

Many documents and records that federal departments, agencies and Ministers generate in their current operations have long-term significance for legal, policy, historical and other reasons. In an era of increased emphasis on accountability and significant interest in reviewing records to assess decisions and actions, it is important that records of potential archival value be kept and managed in ways that enable them to be searched when needed. At the same time, the cost of cataloguing, organizing and storing these kinds of materials in appropriate conditions makes it reasonable to permit the destruction of materials with no archival value.

During 2005-2006, we continued to act on our core responsibilities under this program activity, which centre on our responsibilities related to Government of Canada recordkeeping as well as our work with the community of people who manage and deliver services through federal department and agency libraries.

More information on our core, ongoing responsibilities in this area as well as related issues, tools and services is available at:

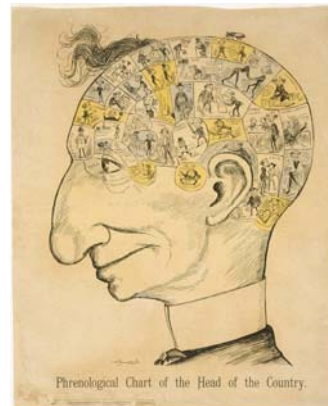
<http://www.collectionscanada.ca/information-management/index-e.html>

In addition, we took action on five strategic issues related to improving government record keeping and information services.

We will enable a business-based approach to information management across federal government departments and agencies by collaborating with the Government of Canada's IM community to establish a government-wide IM program linked to the government's business objectives and accountabilities.

We, along with other partner departments and agencies, have made progress on this commitment. It reflects an increased awareness across the Government of Canada of the importance of records management – and the need to have information systems in place that manage an environment in which records are more often created electronically than on paper.

An example of one of 25 million images held at Library and Archives Canada's Collection



A cartoon portrait of Sir John A. Macdonald, 1887, entitled PHRENOLOGICAL CHART OF THE HEAD OF THE COUNTRY

A key element of our contribution to this commitment was a decision to concentrate on our core responsibilities related to record keeping. This will enable us to play a strong, clear role in helping the federal community move forward in supporting the Government's business objectives.

As one of the three lead agencies responsible for managing Government of Canada information (with the Chief Information Officer Branch of Treasury Board Secretariat and Public Works and Government Services Canada), this focus on our record keeping role informed our contribution to the redrafting of the government-wide IM policy (the Management of Government Information Policy) and the development of a new IM accountability framework (the IM Program).



The new policy and framework will ensure that the Government of Canada manages information to support government programs and service delivery, supports transparency and collaboration across organizations, provides for informed decision making in government operations and preserves information of enduring or historical value.

For more information:

<http://www.collectionscanada.ca/information-management/index-e.html>

We will enable optimal government use and management of information throughout its life cycle:

- *by completing a Government of Canada-wide function-based classification system and developing records management metadata.*
- *by establishing, a strategy to ensure that electronic information is effectively managed throughout its life cycle with enterprise-wide systems, and ensuring that electronic systems are the Government of Canada's preferred means of creating, using and managing information.*

While these were set out as two separate priorities in the *Report on Plans and Priorities*, we took an integrated approach to them that combined collaborative work with other departments and agencies to accelerate the use of electronic records across the government with work on tools and supports that help federal departments and agencies carry out their records management responsibilities better and more consistently.

For example, we made progress on the Business Activity Structure and Classification System (BASCS), which provides a consistent way for departments and agencies to classify records for the first time. This will be particularly useful for achieving consistency in the classification of administrative records across the government and will evolve as resources permit. During the year, we developed, validated and tested BASCS models for records related to information management, information technology, security and audit and evaluation. BASCS has been designed to work within whatever information management system a department uses. This includes the Records, Documents and Information Management System (RDIMS), which is the government-preferred system.

We also created a Records Management Metadata Standard (RMMS), which sets out how records and the information they contain should be classified. We expect it to lead to more consistent organization and recording for later reporting and tracking purposes. RMMS was endorsed by Treasury Board Secretariat and was tested operationally, first by Transport Canada and then by the Canadian International Development Agency and Agriculture and Agri-food Canada with a first focus on classifying and organizing executive correspondence.

For more information on BASCS:

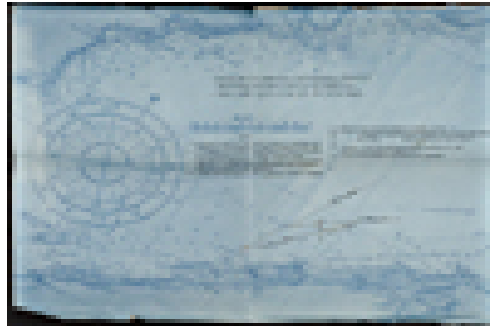
<http://www.collectionscanada.ca/information-management/002/007002-2089-e.html>

We will provide valued, cost-effective information management services to the Government of Canada by developing a new model for storing Government of Canada records of business value in all media.

Early in the fiscal year we set out a process that would have led to a model for storing government records. However, keeping in mind our specific responsibilities under Sections 12 and 13 of the *Library and Archives of Canada Act*, we decided to defer action while we took a closer look at a more-focused approach that would limit our storage responsibilities, and the related substantial costs, to those documents that meet the legislated test of value. This would achieve a more cost-effective approach that would be reinforced by our other efforts to support greater consistency in how departments and agencies classify and catalogue their paper and electronic records.

Images such as these federal documents record proceedings of official shipwreck investigations conducted by the Marine Branch of the Department of Marine and Fisheries.

<http://www.collectionscanada.ca/sos/shipwrecks/index-e.html>



"Diagram drawn by Capt. Kendall showing known course of Empress and supposed course of Storstad"

We will provide valued, cost-effective information management services to the Government of Canada by developing and implementing the initial phase of a strategy to increase the capacity of federal libraries to provide high-quality information services.

As committed, we completed the initial phase of a three-year strategy for the Government of Canada's federal libraries, "*Maximizing Information for Knowledge, Competitiveness and Innovation: Canada's Federal Libraries in the 21st Century*". That set the stage for work under the strategy that will enable federal libraries to provide the best possible and most cost-effective library services for the Government of Canada. The strategy development and related cooperation has already helped to guide the work of the Council of Federal Libraries Consortium, which, via the Consortium's *Strategic Plan 2005-2006*, focuses on enabling federal libraries to work together to obtain lower prices from vendors for a wider range of information products and services.

For more information:

Council of Federal Libraries:

<http://www.collectionscanada.ca/cfl-cbgf/index-e.html>

Council of Federal Libraries Consortium:

<http://www.collectionscanada.ca/consortium/index-e.html>



Program Activity: 1.2

Managing the documentary heritage of interest to Canada

The building of a national documentary resource for all aspects of the study of Canada is fundamental to the mandate of the Library and Archives of Canada. The Library and Archives Canada collection consists of published and unpublished materials in a variety of formats acquired through Legal Deposit, Agreements with government institutions and selected private materials purchased or received by donation. To access the contents of collections, they must be described. Description can take many forms and provide various layers of access but is governed by nationally and internationally accepted codes of practice. At the same time, holdings are also described to meet Canadians' expectations for timely and equitable access. Once materials enter the LAC collection they are managed to ensure their long-term preservation and accessibility through policies, procedures and various programs including storage, conservation, and preservation and copying. To fulfill its role as a permanent repository of the government records and publications, Library and Archives Canada enters into agreements with government institutions to ensure that documents of historical and archival value are eventually transferred to LAC.

Financial Resources:

Planned	Authorities	Actual
\$87,547,000	\$69,195,800	\$68,554,100

Note: The total Planned Spending includes \$22,939,000 re-profiled into future years.

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
695 FTEs	665 FTEs	(30) FTEs

Among the high profile Library and Archives of Canada roles are those related to building the collection of Canada's documentary heritage, ensuring its proper care and organization. These roles centre on the activities described above and encompass duties that are carried out by LAC staff members with specialized expertise.

A changing documentary environment has affected these roles and our overall strategies. In addition to our ongoing efforts to bring together Canada's published heritage in print form and its archival heritage on traditional media such as paper, photographic negatives and film, we now face the challenge of building and managing the new documentary heritage in electronic formats such as geomatic databases, digital photographs, e-publications and websites.

Complementing these efforts is our commitment to improve our management of our collections. Much of our material was being stored in settings with inadequate physical environments, where the condition of the collection was likely to deteriorate. With specific financial support, we have begun to address this challenge and initiated the drafting for an Infrastructure Strategy. Another part of our transformation has included work to develop and implement an approach to classifying and cataloguing our entire collection, which will provide a single window for people to explore this priceless collection.

During 2005-2006, we continued to act on our core responsibilities under this program activity.

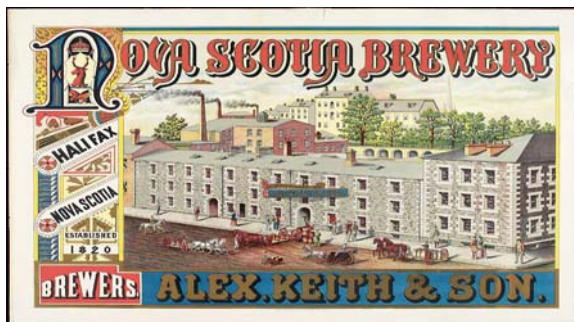
In addition, we took action on eight strategic issues.

The Peter Winkworth Collection of Canadiana

For years, Canadian art historians spoke of a fabulous Canadian historical art collection owned by Peter Winkworth, a Canadian collector living in London, England. Although he had worked with Canadian archives officials on issues such as major acquisitions and was awarded the Order of Canada (C. M.) in 1983 for his contributions to Canada's cultural heritage, little was known about his collection – or his plans for it.

In April 1996, archivist Jim Burant spent a day with Mr. Winkworth and saw more than a thousand impressive works of art documenting Canada's history - less than 20% of the collection. This led to five years of work spearheaded by Ian Wilson, now Librarian and Archivist of Canada, to negotiate the purchase of the collection for Canada and find the needed funding. The result was a 2002 agreement that saw the Winkworth family sell more than 4,000 works of art from their collection, the largest single acquisition ever made by a Canadian government cultural agency.

The entire collection has been catalogued, and more than half has been scanned and made available on the internet. LAC has created travelling exhibitions that are showing this collection across Canada from 2005 to 2007. The Winkworth Collection, a gem among the Archives' treasures, has material of interest to today's generation and generations to come, showing how Canadian society developed.



Engl : Nova Scotia Brewery: Alex. Keith, Halifax, N.S.
Established 1820 (Nova Scotia) (Winkworth Collection)
Canada – A Collector's Passion: The Peter Winkworth Collection is
online at:

<http://www.collectionscanada.ca/art/index-e.html>

We will ensure that Canada's documentary heritage is acquired and preserved by developing an acquisition strategy in the context of collaborative partnerships with other institutions across Canada.

Just before the beginning of the 2005-2006 fiscal year, we introduced a new Collection Development Framework. It sets a policy direction for LAC and collection development priorities for the 2005-2010 periods.

The Framework recognizes the need to work in consultation with partners and with other institutions that also seek to preserve documentary heritage in Canada such as provincial archives and libraries, and universities. During 2005-2006, we worked with those partners through a particular emphasis on one aspect of the Framework – digital information – as we collectively began to define and develop a Canadian Digital Information Strategy (CDIS).

CDIS would aim to ensure that Canada has a vibrant and enduring body of Canadian digital content to carry into the future and to build upon over time. An initial meeting in October 2005 attracted 150 people from organizations that produce digital content, including archives and libraries, the education sector and other areas. Participants agreed on the need for CDIS and identified key issues to be considered in its development. This set the stage for further work and consultation in 2006-2007.

LAC's Digital Initiatives

"Digital information has become central to nearly everything Canadians do in their day-to-day lives, from communicating with one another, to engaging in commercial or government transactions, to learning from a documentary heritage that is increasingly electronic in form. At the same time, digital information is fluid, fragile, and too often, fleeting. A portion of our digital heritage has already been lost and much remains at risk of being lost.

Library and Archives Canada has launched two initiatives to address the digital reality, the Canadian Digital Information Strategy and the LAC Digital Collection Catalytic Initiative. The key pillars of the national strategy are Content, Preservation and Access: to produce more long-term and interoperable Canadian content, preserved for Canadian generations to come and accessible to all. The goal is to raise the profile of the issues, broaden stakeholder understanding of the complexity of the issues and achieve agreement on the key parameters of a collaborative framework for a Canadian digital information strategy. LAC has led 4 thematic meetings across Canada where representatives from all parts of the information community began to explore common issues to the digital frontier. The results are posted for public comment and will culminate with an invitational national summit to be held this fall to get common agreement on the content of a strategy for digital information in Canada.

At the same time the LAC is working to build a cohesive and robust digital infrastructure: policies, standards, tools and procedures enabling a business and technical architecture for digital acquisition, digitization projects, digital content management and preservation, and digital resource discovery and access. Major activities over the past year included archiving the Government of Canada web domain, preparing for the legal deposit of electronic publications and demonstrating the feasibility of internet transfer of archival digital records of government. LAC policy development is keeping pace with key policies produced over the last year to address both digital collection development and web resource discovery."

<http://www.collectionscanada.ca/cdis/012033-901-f.htm>

To move forward in our own operations, we introduced a new Digital Collection Development Policy in February 2006, as part of the Collection Development Framework. This policy is guiding our Digital Collection Catalytic Initiative, through which we are putting the infrastructure in place for digital acquisition (such as the selection and acquisition of Canadian e-publications and websites for our collection), digitization projects, digital content management and preservation, and digital resource discovery and access.

More information on the **Collection Development Framework** is available at:

<http://www.collectionscanada.ca/collection/024/index-e.html>

More information on work to date related to the **Canadian Digital Information Strategy** is available at:

<http://www.collectionscanada.ca/cdis/index-e.html>

More information on the **Digital Collection Development Policy** is available at:

<http://www.collectionscanada.ca/collection/003-200-e.html>

We will ensure that Canada's documentary heritage is acquired and preserved by extending legal deposit to electronic publications and maps.

We expected that regulations would be finalized and approved for the legal deposit of electronic publications and maps. The regulatory process was delayed due to the dissolution of Parliament between November 2005 and February 2006 but we anticipate the extension of Legal Deposit to take place in 2007. In the interim LAC has continued the work of well over a decade in archiving e-publications and websites through publisher-by-publisher negotiation without the benefit of the proposed legislation.

More information on Legal Deposit is available at:

<http://www.collectionscanada.ca/6/25/index-e.html>

Comics and superheroes were made for each other. Since 1941, when original comic books were first published in Canada. Comic books are held in Library and Archives Canada.

<http://www.collectionscanada.ca/superheroes/index-e.html>



Cover of exhibit catalogue, "Guardians of the North: The National Superhero in Canadian Comic-Book Art"



We will ensure that Canada's documentary heritage is acquired and preserved.

- *by addressing the challenges of acquiring, managing and preserving digital collections;*
- *by putting in place processes to archive Web sites of interest to Canada.*

These were set out as two separate priorities for 2005-2006, but they both demonstrate our commitment to expand and manage an increasingly digital collection and implement the Collection Development Framework. As mentioned above, we have already archived more than 20,000 e-publications. We also experimented with the selective archiving of websites of interest such as those set up for the Commission of Inquiry into the Sponsorship Program and Advertising Activities under Mr. Justice John Gomery and those of political parties during the 2006 general election campaign. The degree of interest in these archives indicated how important this direction will be for LAC.

An important direction in our digital work was our completion of a “web harvest” of the “gc.ca” domain, which holds all federal government-related websites. As we refined the harvesting to improve results, we collected 1,459 websites as a start for future similar efforts.

We also tested an online system that enables departments and agencies to transfer electronic records to us. We expect that this, along with the supporting description, management and access to digital publications could streamline the processes and systems for transferring records from departments to LAC.

We will ensure that Canada's documentary heritage is acquired and preserved by addressing the Auditor General of Canada's recommendations:

- *for protecting government records of archival and historical value*
- *for the care of Canada's documentary heritage collection by developing strategies and a collection management framework, implementing mechanisms to obtain comprehensive information on the nature and condition of the collection, and beginning to develop a risk management framework.*

The *Library and Archives of Canada Act* responds to the November 2003 recommendations of the Auditor General by specifying that government or ministerial records of historical or archival value shall be transferred to the Librarian and Archivist of Canada. It also allows the Librarian and Archivist of Canada to require the transfer of government records that he or she believes are at risk of serious damage or destruction. A primary vehicle for implementing these legislated requirements is our new Records Disposition Authority Control System (RDACS) combined with risk-based approaches to the disposition of business records by departments and agencies.

During 2005-2006, we made progress on RDACS by adding a functionality that allows archivists to monitor the terms and conditions of agreements with departments for the transfer of archival records. During the year, we also issued nine Records Disposition Authorities, up from eight in 2004-2005, and received 22,320 containers of archival material from government and private donors.

The full text of the Auditor General's report is available at:

<http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20031106ce.html>

Information on RDACS is available at and information on RDAs is included in:

<http://www.collectionscanada.ca/information-management/002/007002-2000-e.html>

<http://www.collectionscanada.ca/information-management/007/007007-1008-e.html>

We anticipated acting on these recommendations over at least a three-year period. During 2005-2006, we made progress on this commitment in a variety of ways. For example, we completed the move of unique and valuable materials in our Literary Manuscript and Music Collections that were at risk from the substandard space at our 395 Wellington Street facility in Ottawa to our state-of-the-art preservation facility in Gatineau. We also custom-housed and containerized vulnerable material to ensure better control and preservation of these items.

We also developed tools to allow us to make risk-managed decisions more consistently, such as two decision trees, one to guide collection space management and accommodation planning choices, and the other to support work for enabling current and long-term access to the LAC collection. We made some progress towards creating an environmental monitoring framework for our collection. To date, we have completed an inventory of existing monitoring equipment while also purchasing some new equipment.

We have also trained key staff on aspects of environmental monitoring and on the use and calibration of equipment. The development of an overarching framework is moving more slowly than expected because our collection care staff is involved in many LAC priorities such as AMICAN development and collection moves.

Library and Archive Canada's collection of Canadian newspapers is the most extensive in the country.

<http://www.collectionscanada.ca/halifaxgazette/index-e.html>



**Original of *The Halifax Gazette*, No. 1,
March 23, 1752.**



We will enhance the management and delivery of content in our collection by developing a framework for using metadata, elements of descriptive information about archival and bibliographic resources, as a new approach for enhanced user access to our collection.

In developing the Metadata Framework for Resource Discovery during 2005-2006, we set out to build a single approach to describing the contents of the LAC collection in a standardized way so that users can find more easily what they are looking for. The Framework itself is a set of guiding principles for the creation and management of metadata at LAC. It sets an overall strategic direction within which we can develop LAC policies, practices and plans related to describing our collection.

By March 2006, we finalized a draft of the Framework and distributed it for consultation to internal and external stakeholders to get their input on the proposed approach. When finalized later in 2006, we will post it on our website as we begin work on practical steps to implement this strategic tool. The Framework will help us to improve our strategic planning and corporate decision-making, provide a communication

Metadata: information describing the contents of the LAC collection in a standardized way so that users can find what they are looking for.

The Metadata Framework for Resource Discovery is a set of guiding principles for the creation and management of metadata at LAC. It sets an overall strategic direction within which LAC policies, practices and plans related to describing the collection will be developed. The Metadata Framework for Resource Discovery is intended to: improve strategic planning, improve corporate decision-making, provide a communication vehicle, and provide leadership in metadata standards.

vehicle and enhance our leadership role in metadata standards within the Government of Canada as well as nationally and internationally. It will also have a more widespread impact, since the resource descriptions that LAC creates for our own collection of Canadiana publications are distributed to libraries across Canada and to other national and international databases where they communicate our holdings and provide support to other Canadian libraries and library users across Canada.

We will enhance the management and delivery of content in our collection by designing the next generation system called AMICAN, which will present the holdings of Library and Archives Canada in a single database, handle digital objects, and provide seamless access to the collection.

This priority reflects our decision to create a single system (AMICAN) that will eventually integrate and expand the information available that we now have on the database that the former National Library of Canada used (AMICUS) and that used by the former National Archives of Canada (MIKAN). We recognized that this would be a long-term process that would depend in part on the availability of resources.

During 2005-2006, among many other improvements and advances, we moved most relevant databases of our archival holdings to an integrated archival description system. We tested the first phase of a “federated search” function in a field trial that offers simultaneous searching of a number of databases describing our published and unpublished collections along with a new user interface for archival descriptions. The design was completed for a single corporate repository for client contact information as well as the design and development of the prototype for a new care of collections control module that integrates information related to LAC holdings.



Program Activity: 1.3

Making the documentary heritage known and accessible for use.

All materials that become part of the LAC collection are intended for use by those interested in Canada. LAC provides information and services including consultation, research and lending, across multiple channels to facilitate access to the documentary heritage to a wide variety of clients. It also establishes activities, such as the learning program and encourages or organizes activities such as exhibitions, publications and performances, to make known and interpret the documentary heritage. LAC also provides information resources and standards such as the national catalogue and supports the infrastructure necessary to ensure its accessibility to those interested in Canada.

Financial Resources:

Planned	Authorities	Actual
\$52,096,000	\$33,528,600	\$33,030,800

Note: The total Planned Spending includes \$30,344,000 re-profiled into future years.

Human Resources (FTE = Full Time Equivalent)

Planned	Actual	Difference
287 FTEs	294 FTEs	7 FTEs

The ongoing work under this program activity relates to the efforts of the Library and Archives of Canada staff that develops and delivers the programs and services that enable Canadians and people in other countries who are interested in Canada's documentary heritage to have access to our collections and resources. Some of this involves the delivery of programs that focus attention on particular elements of Canadiana and that help people to understand Canadian stories – through our facilities and, increasingly, through the use of the internet. These programs are supported by the people in LAC reference services who assist users in finding the items in our collections that are of most interest and relevance, supported by an expanding range of self-service tools.

More information on our core, ongoing responsibilities in this area as well as related information and services is available at:

<http://www.collectionscanada.ca/services/index-e.html>

In addition, we took action on five strategic issues related to enhancing the programs and services that we provide.

LAC carried out **Project Naming**, the identification of Inuit portrayed in some of the photographic collections in LAC.

<http://www.collectionscanada.ca/inuit/054301-e.html>



Group of Inuit children, unknown location, Northwest Territories (now Nunavut) ca. 1950s

We will improve service to Canadians by implementing re-designed client services, strengthening service performance measurement, and providing seamless, efficient, multi-channel access to Canada's documentary heritage.

We provide a wide range of services that enable individual Canadians and institutions with an interest in Canada's documentary heritage to gain access to our collection and resources. For 2005-2006, we committed to transforming and modernizing client service, which we did in many ways. In-person access to our services was made easier, with ongoing renovations to our building at 395 Wellington Street in Ottawa, which will be completed in 2006-07, and the introduction of wireless internet access and self-serve digital copying at that location.

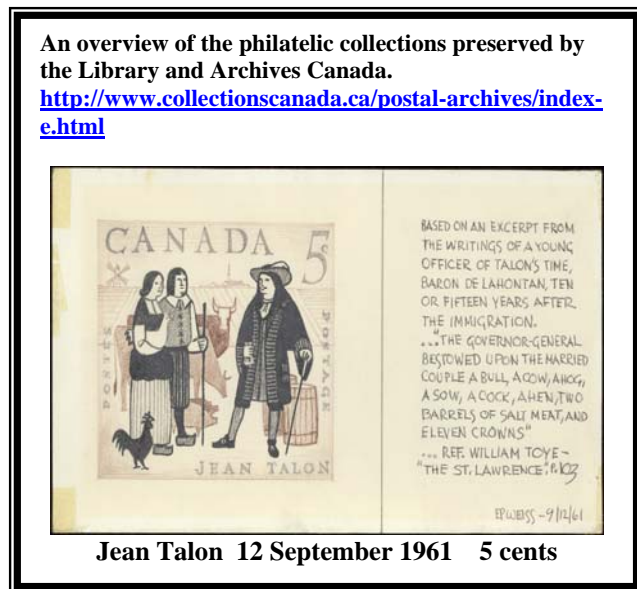
Our redesigned website brought together the former websites of the National Library of Canada and the National Archives. People can now search the entire site at once, including archival descriptions and Web pages. The addition of a "Services to the Public" section, including "Services to New Users", presents clear and user-friendly information about our reference services.

We also began implementation of a Query Management System, through which we now track requests from users. It enables us to manage response times to requests and better understand our users and their needs.



We will improve service to Canadians by improving processes for providing access to government records.

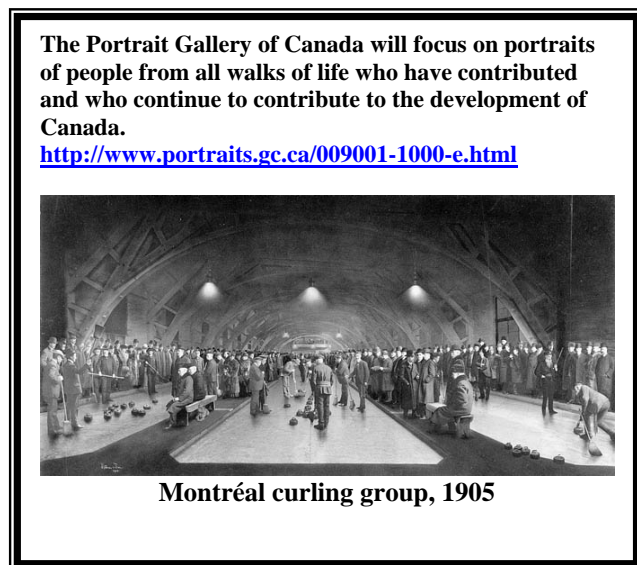
We took action after our internal task force on Access to Government Information Services made recommendations that it believed would improve Library and Archives Canada performance in providing access to government records within the 30-day mandated target for that service. Amalgamating units and developing a new procedures manual helped us to eliminate the backlog of requests that we had under the *Access to Information Act*. We also began to build on that success by developing risk management approaches to our file review processes.



We will enhance Canadians' knowledge and understanding of their documentary heritage by delivering innovative programming to meet the diverse information needs of Canadians

We have a continuing commitment to programming that puts Canadians in touch with our documentary heritage. During 2005-2006, we acted on that commitment by developing a program strategy that articulates a vision, defines key objectives, proposes initial areas of program focus and sets out a planning process to guide program development and management.

Canadians benefited from our actions, such as the launch of new resources for Canadians, including putting the 1911 Census online. A new partnership for online programming was initiated with the National Archives of Ireland. We also developed and delivered innovative online programming such as websites including:



Virtual Silver Screen <http://www.collectionscanada.ca/silverscreen/index.html>

Cool Canada <http://www.collectionscanada.ca/cool/index-e.html>

Life of a Rock Star, which was an international prizewinner

<http://www.collectionscanada.ca/rock/index2-e.html>

and new virtual exhibits including:

Canada's UFOs <http://www.collectionscanada.ca/ufo/index-e.html>

Through a lens <http://www.collectionscanada.ca/dieppe/index-e.html>

Bon Appétit <http://www.collectionscanada.ca/cuisine/index-e.html>

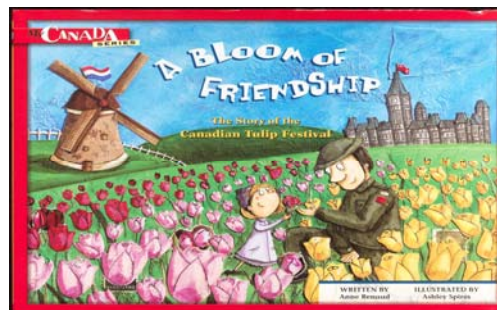
A new three-year agreement with the Toronto Dominion Financial Group renewed the TD Summer Reading Club, which is offered in more than 400 Canadian public libraries to children ages 12 and under to encourage them to read. During the summer of 2005, nearly two million books were read by 200,000 children in this program.

A complete LAC public program list for 2005-2006 is available through our "What's on" Archives Calendar at: <http://www.collectionscanada.ca/whats-on/014-2004-e.html>

More information on the TD Summer Reading Club is available at: <http://www.td-club-td.ca/2006>

Over 260,000 youths from Alberta, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island, Quebec and Yukon will be reading books and having fun as they shout: "Fire up your imagination!"

<http://www.td-club-td.ca/2004/index-e.html>



A bloom of friendship : the story of the Canadian Tulip Festival

Anne Renaud ; illustrated by Ashley Spires --
Montreal : Lobster Press, 2004.

Cover © Lobster Press Ltd. Reproduced with
the permission of Lobster Press Ltd.



We will enhance Canadians' knowledge and understanding of their documentary heritage by renewing Library and Archives Canada's grants and contributions program for assisting in the development of Canada's archival system.

We received Treasury Board approval for the National Archival Development Program (NADP) after working with the archival community on the new program. It provides financial assistance to Canadian archives and related organizations to increase their capacity to preserve and make accessible unique archival materials about Canada and Canadians.

LAC delivered training on the program and worked with the archival community to define NADP performance measures in February 2006, which was soon followed by the first call for applications in March.

More information on **NADP** is available at:

<http://www.collectionscanada.ca/archivists/042-200-e.html>

We will develop and implement programs of the Portrait Gallery of Canada to enhance the display of the collection by maintaining and enhancing the Gallery's awareness activities and collection development, and its presence on LAC's website, and by developing needed program supports, such as education and visitor services.

We made significant progress in 2005-2006 in building national awareness and partnership, both through strategic partnerships and in developing Canada's portrait holdings. For instance, a partnership with The Rooms, the major cultural space in St. John's, led to a highly successful public unveiling and exhibition of two recently-acquired 17th century portraits of Newfoundland historical figure Admiral Sir John Berry and his wife.

More information on the Portrait Gallery of Canada is available at:

<http://www.portraits.gc.ca/009001-1000-e.html>



OTHER ITEMS OF INTEREST

Other items of interest

During 2005-2006, we finalized and implemented a new governance structure for the institution, and staffed all senior positions. Key work processes and policies, both at the corporate and operational levels were reviewed and redesigned. Notably a more integrated planning process linking the planning of HR to the business planning, a resource allocation process that better links resources with objectives, and a new Policy on Continuous Learning in line with the new Policy on Learning, Training and Development issued by TBS in January 2006.

Significant efforts were dedicated to developing a three-year corporate Human Resources Plan with a strong emphasis on reinforcing management capacity in the institution. Mandatory training in procurement, financial management and PSMA was a condition to obtaining delegation. Training also focused on the administrative assistants in order to ensure sound practices and consistent support for managers throughout the institution.

Work on the long-term infrastructure strategy continued and is expected to be completed early in the next fiscal year. Planning for the move to the Interim Collection Facility and for the construction of a new nitrate facility is also progressing well. At the same time, in collaboration with Public Works and Government Services Canada, LAC completed the move of most of its administration and operations to its new headquarter in Gatineau, close to its Preservation Centre.



FINANCIAL INFORMATION

Financial Information

Library and Archives Canada Financial Performance Overview

Library and Archives Canada's Main Estimates for 2005-2006 were \$92,894,000 including contributions to employee benefit plans. The operating amount carried forward from 2004-2005 was \$4,156,400. Library and Archives Canada also received funding from Treasury Board to cover the increased salary costs resulting from collective bargaining agreements. Additional temporary funding was received during the year for specific initiatives, including:

- \$3.5 million for the accommodation of the headquarters at Place de la Cité;
- \$4.1 million for the Canadian Culture Online program;
- \$1.1 million for the Management Government Information;
- \$1.9 million for the Portrait Gallery of Canada;

These and other adjustments brought the total funds available for the year to \$115,577,923 (see Table 1).

Library and Archives Canada is comprised of 7 sectors managing its program through 3 strategic outcomes and 9 program activities (see Table 6). The costs of Corporate Services are shared between each of the program activities based on a formula approved by the Treasury Board Secretariat.

In 2005-2006, Library and Archives Canada generated revenues in the amount of \$909,328 of which \$487,251 was spendable. These revenues are from access to and reproduction of archival and collection materials. The organization also received \$176,631 during the year from the sale of surplus Crown Assets, bringing the total available funds for use to \$208,372 (including \$31,741 available from previous years). Of this, \$45,307 was used in general operations this year.

Table 1: Comparison of Planned to Actual Spending (including FTEs)

(\$ thousands)	2003–2004 Actual	2004–2005 Actual	2005–2006			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Managing the disposition of the Government of Canada records of continuing value	11,198.0	12,464.6	11,289.0	11,717.0	12,853.5	12,315.4
Managing the documentary heritage of interest to Canada	63,435.6	70,269.5	61,004.0	87,547.0	69,195.8	68,554.1
Making the documentary heritage known and accessible for use	27,684.8	30,476.0	20,601.0	52,096.0	33,528.6	33,030.8
Total	102,318.4	113,210.1	92,894.0	151,360.0	115,577.9	113,900.3
Less: Non-Respendable revenue	579.1	291.4	N/A	10.0	N/A	422.1
Plus: Cost of services received without charge	41,115.6	41,972.2	N/A	39,935.0	N/A	43,376.5
Total Departmental Spending	142,854.9	154,890.9	92,894.0	191,285.0	115,577.9	156,854.7
Full Time Equivalents	1,167	1,147	N/A	1,152	N/A	1,128

- 1- In 2004-2005, the National Archives (NA) and the National Library (NL) were merged to create Library and Archives Canada (LAC). To be consistent and for a better comparison between the 3 years, the figures from NA and NL were combined for the year 2003-2004.
- 2- Following the merger of NA and NL, LAC has revised its presentation of non-respendable revenues. Figures for previous fiscal years have been modified accordingly with the new presentation standards allowing for a better comparison between the presented 3 fiscal years. These modifications impact on the Total Departmental Spending. Details of the non-respendable revenues are provided in Table 5.
- 3- Total Planned Spending includes \$53,283,000 re-profiled into future years.
- 4- Total Authorities includes funding received from 2005-2006 Governor General Special Warrants and they are allocated by program activities.
- 5- Details of the cost of services received without charge are provided in Table 4.



Table 2: Resources by Program Activity

2005–2006 (\$ thousands)							
Program Activity	Budgetary						Total
	Operating	Grants	Contributions and Other Transfer Payments	Total : Gross Budgetary Expenditures	Less : Respendable Revenue	Total : Net Budgetary Expenditures	
Managing the disposition of the Government of Canada records of continuing value							
Main Estimates	11,289.0	-	-	11,289.0	-	11,289.0	11,289.0
Planned Spending	11,717.0	-	-	11,717.0	-	11,717.0	11,717.0
Total Authorities	12,853.5	-	-	12,853.5	-	12,853.5	12,853.5
Actual Spending	12,315.4	-	-	12,315.4	-	12,315.4	12,315.4
Managing the documentary heritage of interest to Canada							
Main Estimates	61,004.0	-	-	61,004.0	-	61,004.0	61,004.0
Planned Spending	87,547.0	-	-	87,547.0	-	87,547.0	87,547.0
Total Authorities	69,159.8	36.0	-	69,195.8	-	69,195.8	69,195.8
Actual Spending	68,518.1	36.0	-	68,554.1	-	68,554.1	68,554.1
Making the documentary heritage known and accessible for use							
Main Estimates	19,275.0	636.0	1,140.0	21,051.0	450.0	20,601.0	20,601.0
Planned Spending	50,770.0	636.0	1,140.0	52,546.0	450.0	52,096.0	52,096.0
Total Authorities	31,126.4	600.0	2,352.2	34,078.6	550.0	33,528.6	33,528.6
Actual Spending	30,565.9	600.0	2,352.2	33,518.1	487.3	33,030.8	33,030.8

- 1- Total Planned Spending includes \$53,283,000 re-profiled into future years.
- 2- Total Authorities includes funding received from 2005-2006 Governor General Special Warrants and they are allocated by program activities.

Table 3: Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	2005–2006 (\$ thousands)			
		Main Estimates	Planned Spending	Total Authorities	Actual
50	Program expenditures	81,608.0	139,774.0	103,135.2	101,620.7
(S)	Contributions to employee benefit plans	11,286.0	11,586.0	12,234.3	12,234.3
(S)	Spending of proceeds from the disposal of surplus Crown Assets	-	-	208.4	45.3
	Total	92,894.0	151,360.0	115,577.9	113,900.3

- 1- Total Planned Spending includes \$53,283,000 re-profiled into future years.
- 2- Total Authorities includes funding received from 2005-2006 Governor General Special Warrants and they are allocated by program activities.

Table 4: Services Received Without Charge

(\$ thousands)	2005–2006
Accommodation provided by Public Works and Government Services Canada (PWGSC)	38,299.3
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	5,018.2
Worker's compensation coverage provided by Social Development Canada	52.4
Salary and associated expenditures of legal services provided by Justice Canada	6.6
Total 2005–2006 Services received without charge	43,376.5



Table 5: Sources of Respendable and Non-Respendable Revenue

Respendable Revenue

(\$ thousands)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Managing the documentary heritage of interest to Canada						
Services Fees	-	355.1	-	-	-	-
Making the documentary heritage known and accessible for use						
Services Fees	323.0	108.0	450.0	450.0	550.0	487.3
Total Respendable Revenue	323.0	463.1	450.0	450.0	550.0	487.3

Non-Respendable Revenue

(\$ thousands)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Managing the disposition of the Government of Canada records of continuing value						
Refunds of previous years, expenditures	N/A	36.1	-	-	-	11.1
Adjustments to prior year's payables	N/A	11.3	-	-	-	15.1
Proceeds from the disposal of surplus Crown Assets	N/A	31.8	-	-	202.1	23.1
Miscellaneous revenues	N/A	-	-	-	-	4.6
Other adjustment	N/A	-	-	-	-	1.7
Managing the documentary heritage of interest to Canada						
Refunds of previous years, expenditures	N/A	19.4	-	-	-	54.3
Adjustments to prior year's payables	N/A	111.6	-	-	-	76.7
Proceeds from the disposal of surplus Crown Assets	N/A	49.0	-	-	6.3	116.4
Miscellaneous revenues	N/A	-	-	-	-	23.3
Other adjustment	N/A	(56.0)	-	-	-	8.3
Making the documentary heritage known and accessible for use						
Refunds of previous years, expenditures	N/A	36.3	-	-	-	13.2
Adjustments to prior year's payables	N/A	29.2	-	-	-	24.4
Proceeds from the disposal of surplus Crown Assets	N/A	13.0	-	-	-	37.1

Table 5: Sources of Respendable and Non-Respendable Revenue (continued)**Non-Respendable Revenue (continued)**

(\$ thousands)	Actual 2003-2004	Actual 2004-2005	2005-2006			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Total non-respendable revenue						
Miscellaneous revenues	N/A	24.3	-	10.0	-	10.1
Other adjustment	N/A	(14.6)	-	-	-	2.7
Refunds of previous years, expenditures	16.9	91.8	-	-	-	78.6
Adjustments to prior year's payables	233.5	152.1	-	-	-	116.2
Proceeds from the disposal of surplus Crown Assets	219.7	93.8	-	-	208.4	176.6
Miscellaneous revenues	60.9	24.3	-	10.0	-	38.0
Other adjustment	48.1	(70.6)	-	-	-	12.7
Total non-respendable revenue	579.1	291.4	-	10.0	208.4	422.1

Total revenue	902.1	754.5	450.0	460.0	758.4	909.4
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- 1- In 2004-2005, the National Archives (NA) and the National Library (NL) were merged to create Library and Archives Canada (LAC). To be consistent and for a better comparison between the 3 years, the figures from NA and NL were combined for the year 2003-2004.
- 2- The distribution of the non-respendable revenue for 2003-2004 is not available by Program Activity.
- 3- In 2004-2005, Treasury Board Secretariat authorized revised vote wording to expand vote-net authority to include access to and reprography of other materials from the collection that were previously not eligible under the authority of the NL. The figures shown in 2003-2004 represent the NA respendable revenue only since the NL did not have vote-net authority. NL user fees are included in other adjustment (\$36,563 in 2003-2004).
- 4- The other adjustments are related to Accrual Accounting Principles.



Table 6: Resource Requirements by Sector

(\$ thousands)	Managing the disposition of the Government of Canada records of continuing value	Managing the documentary heritage of interest to Canada	Making the documentary heritage known and accessible for use	Total
Documentary Heritage Collection				
Planned Spending	-	62,367.0	-	62,367.0
Actual Spending	3.2	33,470.7	201.1	33,675.0
Programs & Services				
Planned Spending	-	-	43,294.0	43,294.0
Actual Spending	-	-	18,368.6	18,368.6
Government Information Management Office				
Planned Spending	7,290.0	-	-	7,290.0
Actual Spending	6,732.9	2.1	-	6,735.0
Strategic Office				
Planned Spending	384.0	1,951.0	621.0	2,956.0
Actual Spending	344.4	1,959.2	2,342.8	4,646.4
Information technology Services				
Planned Spending	1,158.0	8,374.0	3,465.0	12,997.0
Actual Spending	1,067.1	8,456.3	3,675.3	13,198.7
Corporate Management				
Planned Spending	2,521.0	13,007.0	4,128.0	19,656.0
Actual Spending	3,850.3	22,921.7	7,896.4	34,668.4
Communications				
Planned Spending	364.0	1,848.0	588.0	2,800.0
Actual Spending	317.3	1,744.2	546.7	2,608.2

- 1- Total Planned Spending includes \$53,283,000 re-profiled into future years.
- 2- Total Authorities includes funding received from 2005-2006 Governor General Special Warrants and they are allocated by program activities.

Table 7: Special Cost-Recovered Services Provided to Other Government Organizations

(\$ thousands)				
Organization	2005-2006	2004-2005	2003-2004	2002-2003
Canada Customs and revenue Agency	1,451.1	1,432.5	1,397.5	1,329.8
Indian Residential Schools Resolution Canada	9.5	36.0	33.8	-
Veterans Affairs Canada	38.0	36.1	35.8	35.4
Canadian Broadcasting Corporation	-	4.9	7.3	5.2
Canadian Border Services Agency	64.0	-	-	-
Human Resources and Social Development	8.2	-	-	-
Total	1,570.8	1,509.5	1,474.4	1,370.4

Table 8-A: 2005-2006 User Fees Reporting – User Fees Act

A. User Fee	Fee Type	Fee Setting Authority	Date Last Modified	2005-06					Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)
Copies of :textual documents and microforms, 105-mm microfiches of maps and architectural drawings documents and archival records created in electronic formats by LAC staff	(O)	<i>The Department of Canadian Heritage Act, sections 8 to 12</i>	Published in Canada Gazette, Part 1, August 6, 2005	410.0	393.5	2,271.8	Regular orders are processed within 30 days of receipt. For rush service see section C.	98%	2006-07 2007-08 2008-09	408.8 408.8 408.8	2,328.5 2,386.9 2,446.4
Copies of documents on microform produced by clients themselves	(O)	Same as above	Same as above	52.2	49.7	182.3	Client Self-Service	100%	2006-07 2007-08 2008-09	51.9 51.9 51.9	186.9 191.5 196.3
Service fee for reproduction of documents produced by private sector suppliers	(O)	Same as above	Same as above	54.0	55.9	739.6	Upon receipt of request: For copied material: approx. 6 weeks For uncopied material: approx. 10-12 weeks	98% for the 6 weeks and 100% for the 10-12 weeks.	2006-07 2007-08 2008-09	56.0 56.0 56.0	758.1 777.0 796.5
Postage and handling	(O)	Same as above	Same as above	29.4	24.4	24.4	Not applicable		2006-07 2007-08 2008-09	27.3 27.3 27.3	25.0 25.6 26.3
Sub-total				545.6	523.5	3,218.1			2006-07 2007-08 2008-09	544.0 544.0 544.0	3,298.5 3,380.8 3,465.5
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i>	(O)	<i>Access to Information Act</i>	1992	4.4	7.4	6,346.3	30 days, or within allowable time extensions	<u>Privacy Act</u> : 24.6% of the formal requests were completed on time <u>Access to Information Act</u> : 37.0% of the formal requests were completed on time	2006-07 2007-08 2008-09	6.0 6.0 6.0	6,505.0 6,667.6 6,834.3
Total (O)				550.0	530.9	9,564.4			2006-07 2007-08 2008-09	550.0 550.0 550.0	9,803.5 10,048.6 10,299.8

A. User Fee	Fee Type	Fee Setting Authority	Date Last Modified	2005-06					Planning Years		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Fiscal Year	Forecast Revenue (\$000)	Estimated Full Cost (\$000)

B. Date Last Modified:

N/A

C. Other Information:

The Web site www.collectionscanada.ca/archivianet contains further information regarding our services, prices and performance standards.

Rush service

Copies of textual documents and microforms by LAC staff			Copies of 105-mm microfiches, maps and architectural drawings produced by LAC staff		
Please note that written requests cannot be processed in less than 5 working days due to the following factors: registration of requests; delay of 24 hours for delivery of documents from off-site storage; identification of requested documents by staff; special handling of archival documents. Processing times apply once orders have been received in our services.			Please note that written requests cannot be processed in less than 7 working days due to the following factors: registration of requests; delay of 24 hours for delivery of documents from off-site storage; identification of requested documents by staff. Processing times apply once orders have been received in our services.		
Number of copies	Response time		Number of copies	Response time	
	In-person request	Written request		In-person request	Written request
100	Maximum of 100 copies per 24 hours	5 working days	50	Maximum of 50 copies per 24 hours	7 working days
500 – 999	5 working days	7 working days	250 – 499	5 to 10 working days	7 to 10 working days
1,000 – 1,999	10 working days		500 – 749	10 to 15 working days	
2,000 – 2,999	15 working days		750 – 999	15 to 20 working days	
3,000 – 3,999	20 working days		1,000 – 1,249	20 to 25 working days	
4,000 – 4,999	25 working days		1,250 – 1,500	25 to 30 working days	
5,000 – 6,000	30 working days				

Table 8-B: 2005–2006 Policy on Service Standards for External Fees

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Copies of :textual documents and microforms, 105-mm microfiches of maps and architectural drawings documents and archival records created in electronic formats by LAC staff	Regular orders are processed within 30 days of receipt. For rush service see Table 8-A Section C.	The processing standard of 30 days has been met at 98%. The processing standard for the rush service has been met at 100%.	<p>For copies of textual documents and microforms:</p> <p>As part of the transformation initiative, a user study was conducted between June 20 and July 6, 2005, with focus groups formed of LAC onsite users. Findings are: existing service standards do not always meet client needs; prices are too high; an on-line order form would be useful; use of digital camera would be useful.</p> <p>A LibQUAL survey was conducted on-line in October 2005. Findings are: Cost of photocopies is too high; timely access to copying material is needed; allow for use of digital cameras, scanners, memory stick, tripods.</p> <p>Accomplishments:</p> <ul style="list-style-type: none"> * In March 2006, an online order form has been made available to clients on LAC website to facilitate the ordering process. * Following the successful pilot project on Self Serve Digital Copying, LAC has decided to implement the service permanently. It allows clients to use their own digital camera to make copies for research and private studies. Clients who are using this service can obtain their copies immediately and free of charge.
Copies of documents on microform produced by clients themselves.	N/A	Clients serve themselves. They pick-up the microforms from the shelf and make their own copies.	<p>For Copies from 105-mm microfiches of maps and architectural drawings documents produced by LAC staff:</p> <p>A LibQUAL survey was conducted on-line in October 2005. Findings are: Limitation on self-serve copying on 2nd floor place unnecessary strain on researcher; need for low-cost self-service copiers.</p> <p>Accomplishments:</p> <ul style="list-style-type: none"> * The two self-serve microform rooms will be merged in 2006-2007. Clients will have access to a larger pool of microform reader/printers which will eliminate the limitation on the use of these machines. * As part of the transformation initiative, LAC harmonized its fee structure in September 2005. The cost of self-service copiers for the copying of archival microforms was reduced; however, the cost of self-serve photocopier did not change.
Service fee for reproduction of documents produced by private sector suppliers.	Upon receipt of request: for copied material: approx. 6 weeks; for uncopied material: approx. 10 -12 weeks.	The processing standard of 6 weeks has been met at 98% and the processing standard of 12 weeks has been met at 100%.	<p>For Service fee for reproduction of documents produced by private sector suppliers:</p> <p>See comments under "Copies of textual documents and microforms.</p>

Financial Statements of

LIBRARY AND ARCHIVES CANADA

**For the year ended
March 31st , 2006**



LIBRARY AND ARCHIVES CANADA

Management Responsibility For Financial Statements

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2006 and all information contained in these statements rests with departmental management. These financial statements have been prepared by management in accordance with accounting standards issued by Treasury Board of Canada Secretariat which are consistent with Canadian generally accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the department's financial transactions. Financial information submitted to the Public Accounts of Canada and included in the department's Departmental Performance Report is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the Financial Administration Act, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the department.

The financial statements of the department have not been audited.

Ian E. Wilson
Deputy Head
Gatineau, Canada
Date

Daniel J. Caron
Senior Financial Officer
Gatineau, Canada
Date

LIBRARY AND ARCHIVES CANADA

Statement of Operations (Unaudited)

For the Year Ended March 31

(in thousands of dollars)

	2006			Total	2005
	Documentary Heritage	Programs and Services	Government Information		Total
Transfer payments	36	2,952	0	2,988	3,098
Operating expenses					
Salary and employee benefits	53,486	21,497	9,059	84,042	78,446
Accommodation	25,661	8,043	4,595	38,299	36,964
Professional and special services	6,565	3,864	2,117	12,546	10,528
Repair and maintenance	3,445	1,192	642	5,279	9,073
Utilities, materials and supplies	3,021	648	233	3,902	4,252
Amortization of tangible capital assets	2,347	842	255	3,444	3,425
Communication services	1,286	988	253	2,527	1,744
Acquisition of machinery and equipment	1,131	426	256	1,813	3,087
Travel	787	372	213	1,372	1,027
Rental costs	452	669	96	1,217	712
Postage and Freight	301	106	72	479	522
Loss on disposal of tangible assets	15	7	7	29	0
Bad debts	0	0	0	0	35
Other	45	52	8	105	(33)
Total operating expenses	98,542	38,706	17,806	155,054	149,782
Total expenses	98,578	41,658	17,806	158,042	152,880
Revenues					
Sales of goods and information products	16	457	3	476	420
Gain on disposal of non-capital assets	118	37	21	176	88
Miscellaneous	24	34	4	62	8
Total revenues	158	528	28	714	516
Net cost of operations	98,420	41,130	17,778	157,328	152,364

The accompanying notes are an integral part of the financial statements.

LIBRARY AND ARCHIVES CANADA
Statement of Financial Position (Unaudited)
As at March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Assets		
<i>Financial Assets</i>		
Cash	0	68
Accounts receivable and advances (note 4)	<u>758</u>	<u>2,404</u>
<i>Total Financial Assets</i>	758	2,472
<i>Non-Financial Assets</i>		
Prepaid expenses	66	2
Tangible capital assets (note 5)	28,115	26,731
Collections (note 6)	<u>1</u>	<u>1</u>
<i>Total Non-Financial Assets</i>	<u>28,182</u>	<u>26,734</u>
TOTAL	<u><u>28,940</u></u>	<u><u>29,206</u></u>
Liabilities and Equity of Canada		
<i>Liabilities</i>		
Accounts payable and accrued liabilities	11,945	13,644
Allowance for vacation pay	6,683	6,351
Deferred revenue (note 7)	823	776
Suspense account	9	80
Employee severance benefits (note 8)	<u>13,842</u>	<u>12,443</u>
	33,302	33,294
<i>Equity of Canada</i>	<u>(4,362)</u>	<u>(4,088)</u>
TOTAL	<u><u>28,940</u></u>	<u><u>29,206</u></u>

The accompanying notes are an integral part of the financial statements.

LIBRARY AND ARCHIVES CANADA
Statement of Equity of Canada (Unaudited)
As at March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Equity of Canada, beginning of year	(4,088)	(2,826)
Net cost of operations	(157,328)	(152,364)
Current year appropriations used (note 3)	113,900	113,210
Revenue not available for spending	(231)	(15)
Change in net position in the Consolidated Revenue Fund (note 3)	(152)	(4,165)
Services received without charge from other government departments (note 9)	43,537	42,072
Equity of Canada, end of year	<u>(4,362)</u>	<u>(4,088)</u>

The accompanying notes are an integral part of the financial statements.

LIBRARY AND ARCHIVES CANADA
Statement of Cash Flow (Unaudited)
For the year ended March 31
(in thousands of dollars)

	<u>2006</u>	<u>2005</u>
Operating activities		
Net costs of operations	157,328	152,364
<i>Non-cash items included in net results</i>		
Amortization of tangible capital assets	(3,444)	(3,425)
(Loss) Gain on disposal and write-down of tangible capital assets	(29)	
Services provided without charge from other government department	(43,537)	(42,072)
<i>Variations in Statement of Financial Position</i>		
Increase (decrease) in accounts receivable and advances	(1,646)	1,380
Increase (decrease) in prepaid expenses	64	0
(Increase) decrease in liabilities	(8)	(2,767)
Cash used by operating activities	<u>108,728</u>	<u>105,480</u>
Capital investment activities		
Acquisitions of tangible capital assets (Note 3)	4,858	3,517
Proceeds from disposal of tangible capital assets	(1)	(35)
Cash used by capital investment activities	<u>4,857</u>	<u>3,482</u>
Financing activities		
Net cash provided by Government of Canada	<u>(113,517)</u>	<u>(109,030)</u>
Net Cash Used	68	(68)
Cash, beginning of year	<u>68</u>	<u>0</u>
Cash, end of year	<u><u>0</u></u>	<u><u>68</u></u>

The accompanying notes are an integral part of the financial statements.

LIBRARY AND ARCHIVES CANADA

Notes to the Financial Statements (Unaudited)

1. Authority and Objectives

Library and Archives Canada is a department within the Government of Canada. Established on May 24, 2004 as a result of the amalgamation of the former National Library of Canada and National Archives of Canada, Library and Archives Canada's role was confirmed in the 2004 *Library and Archives of Canada Act*. The Act assigns discretionary power to the Librarian and Archivist of Canada. Under the Act, no record under the control of a government or ministerial institution may be destroyed prior to receiving consent from the Librarian and Archivist of Canada; those records considered to be of historic or archival importance to the Librarian and Archivist of Canada, shall be transferred to the care and control of the Librarian and Archivist of Canada.

Library and Archives Canada is considered a Schedule I.1 organization within the Financial Administration Act and reports to Parliament through the Minister of Canadian Heritage. Operating and capital expenditures are funded by the Government of Canada through a budgetary lapsing authority. Employee benefits are authorized by separate statutory authorities. Library and Archives Canada receives parliamentary authority to credit to the vote revenues for access to and reproduction of materials from the collection.

The mandate of Library and Archives Canada is to preserve the documentary heritage of Canada for the benefit of present and future generations; to serve as a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society; to facilitate in Canada cooperation among the communities involved in the acquisition, preservation and diffusion of knowledge; and to serve as the continuing memory of the Government of Canada and its institutions.

2. Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

Library and Archives Canada is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to Library and Archives Canada do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations for Parliament. Note 4 provides a high-level reconciliation between the two bases of reporting.

(b) Net Cash Provided by Government

Library and Archives Canada operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by Library and Archives Canada is deposited to the CRF and all cash disbursements made by Library and Archives Canada are paid from the CRF. Net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Revenues:

- i) Revenues from regulatory fees are recognized in the accounts based on the services provided in the year.
- ii) Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.
- iii) Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.



2. Summary of Significant Accounting Policies (cont'd)

(d) Expenses – Expenses are recorded on the accrual basis:

i) Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements;

ii) Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement;

iii) Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

iv) Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(e) Employee future benefits

i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. Library and Archives Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require Library and Archives Canada to make contributions for any actuarial deficiencies of the Plan.

ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Accounts receivables

Accounts receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

(g) Tangible capital assets

Tangible capital assets having an initial cost of \$3,500 or more are recorded at their acquisition cost or management's estimated historical cost less accumulated amortization. Amortization is done on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Asset Class</u>	<u>Amortization Period</u>
Machinery and equipment	5-15 years
Informatics hardware	3-10 years
Informatics purchased and developed software	2-7 years
Other equipment, including furniture	5-10 years
Motor vehicles	3-15 years

(h) Collections

The collections of Library and Archives Canada are presented on the Statement of Financial Position at a nominal value of \$1,000 due to practical difficulties in determining a meaningful value for these assets and in accordance with Treasury Board Accounting Standards. Items purchased for the collections are recorded as an expense in the year of acquisition. Items collected from the Federal government are not recorded on the Statement of Financial Position.

(i) Measurement uncertainty

The preparation of these financial statements, in accordance with accounting standards issued by the Treasury Board of Canada Secretariat which are consistent with Canadian generally accepted accounting principles for the public sector, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary Appropriations

Library and Archives Canada receives most of its funding through annual Parliamentary appropriations. Items recognized in the statements of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, Library and Archives Canada has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences between net results of operations and appropriations are reconciled in the following tables.

(a) Reconciliation of net cost of operations to current year appropriations used

	2006	2005
	(in thousands of dollars)	
Net cost of operations	157,328	152,364
Adjustments for items affecting net cost of operations but not affecting appropriations:		
<i>Add(Less):</i>		
Services provided without charge	(43,537)	(42,072)
Amortization of tangible capital assets	(3,444)	(3,425)
Employee severance benefits	(1,399)	(310)
Vacation pay and compensatory leave	(325)	2,939
Reversal of previous year expenditures	195	243
Revenue not available for spending	231	15
(Loss) gain on disposal and write-down of tangible capital assets	(29)	0
Miscellaneous	(37)	(52)
	<u>(48,345)</u>	<u>(42,662)</u>
Adjustments for items not affecting net cost of operations but affecting appropriations		
<i>Add(Less):</i>		
Capital acquisitions	4,858	3,517
Advances	0	(6)
Change in prepaid expense	64	0
Deferred revenues	(4)	(2)
Accrued Liabilities	(1)	(1)
	<u>4,917</u>	<u>3,508</u>
Current year appropriations used	<u>113,900</u>	<u>113,210</u>

(b) Appropriations provided and used

	2006	2005
	(in thousands of dollars)	
Operating expenditures - Vote 50	103,135	102,883
Statutory amounts	12,443	11,699
Appropriations available for use	<u>115,578</u>	<u>114,582</u>
<i>Less:</i>		
Lapsed appropriations: Operating	(1,515)	(1,328)
Appropriations available for future years	(163)	(32)
Refunds of amounts credited to revenues in previous years	0	(12)
Current year appropriations used	<u>113,900</u>	<u>113,210</u>

(c) Reconciliation of net cash provided by Government to current year appropriations used

	2006	2005
	(in thousands of dollars)	
Net cash provided by Government	113,517	109,030
Revenue not available for spending	231	15
Change in net position in the Consolidated Revenue Fund		
Variation in accounts receivable and advances	1,646	(1,380)
Variation in accounts payable and accrued liabilities	(1,699)	5,173
Variation in deferred revenue	43	209
Other adjustments	162	163
	<u>152</u>	<u>4,165</u>
Current year appropriations used	<u>113,900</u>	<u>113,210</u>



4. Accounts receivable and advances

The following table presents details of account receivable:

	2006	2005
	(in thousands of dollars)	
Receivable from other federal departments and agencies	616	2,289
Receivable external to the Government	132	104
Employee advances	10	11
Less: allowance for doubtful accounts on external receivables	0	0
Total	758	2,404

5. Tangible Capital Assets

Cost	Opening Balance	Acquisitions	Disposals and write-offs	Closing Balance
(in thousands of dollars)				
Machinery and equipment	1,676	595	(36)	2,235
Informatics hardware	8,605	721	(235)	9,091
Informatics purchased and developed software	6,170	2,123	0	8,293
Other equipment	29,991	99	(468)	29,622
Motor vehicles	559	0	0	559
Work in progress for software	604	1,320	0	1,924
	47,605	4,858	(739)	51,724

Accumulated amortization	Opening Balance	Amortization	Disposals and write-offs	Closing Balance
(in thousands of dollars)				
Machinery and equipment	886	56	(29)	913
Informatics hardware	4,781	1,148	(220)	5,709
Informatics purchased and developed software	2,239	996	0	3,235
Other equipment	12,679	1,204	(458)	13,425
Motor vehicles	289	40	(2)	327
	20,874	3,444	(709)	23,609

Net book value	2006	2005
(in thousands of dollars)		
Machinery and equipment	1,322	790
Informatics hardware	3,382	3,824
Informatics purchased and developed software	5,058	3,931
Other equipment	16,197	17,312
Motor vehicles	232	270
Work in progress for software	1,924	604
	28,115	26,731

Amortization expense for the year ended March 31, 2006 is \$3,444 (\$3,425 in 2005)

6. Collections

Library and Archives Canada preserves the collective memory of the nation and of the Government of Canada and contributes to the protection of rights and the enhancement of a sense of national identity.

Although not capitalized like other assets such as buildings or equipment, these irreplaceable treasures have inestimable legal, evidential, cultural and, indeed, monetary value for Canadians now and for generations to come. These include documentary material transferred at no charge from government departments, materials purchased and donated materials for which tax receipts were issued.

7. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenue stemming from a donation. Some of these donations are restricted for specific purposes. Revenue is recognized each year in the amount of expenses incurred for the purposes for which the donations were received.

	2006	2005
	(in thousands of dollars)	
Balance, beginning of year	776	565
Add amount received from external organizations	965	823
Less revenues recognized in the year	(918)	(612)
	823	776

8. Employee Benefits

a) Pension benefits: Library and Archives Canada's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and Library and Archives Canada contribute to the cost of the Plan. The 2005-06 expense amounts to \$9,053,415 (\$8,484,723 in 2004-05), which represents approximately 2.6 times the contributions by employees.

Library and Archives Canada's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: Library and Archives Canada provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2006	2005
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	12,443	12,133
Expense for the year	3,528	1,478
Benefits paid during the year	(2,128)	(1,168)
Accrued benefit obligation, end of year	13,843	12,443



9. Related party transactions

Library and Archives Canada is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. Library and Archives Canada enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, Library and Archives Canada received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge to Library and Archives Canada:

During the year Library and Archives Canada received without charge from other departments, accommodation, legal fees and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the department's Statement of Operations as follows:

(in thousands of dollars)	2006	2005
PWGSC - Accommodations	38,299	36,964
TB - Public Service Insurance Plan	5,179	5,036
HRDC - Employee Compensation Payments	52	67
Justice - Salary associated with costs of Legal Services	7	5
	<u>43,537</u>	<u>42,072</u>

(b) Payables outstanding at year-end with related parties:

(in thousands of dollars)	2006	2005
Accounts payable to other government departments and agencies	<u>1,452</u>	<u>751</u>

10. Subsequent event

In April 2006, a building occupied by Library and Archives Canada was damaged by fire. As the Government of Canada is self-insured, Library and Archives Canada is responsible to pay for the damages to the building. The costs for these repairs is estimated at approximately \$437,500.

Contacts for Further Information:

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Toll free number in Canada and the U.S.: 1-866-578-7777
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This report can be found in electronic format at:

<http://www.collectionscanada.ca>

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