



# SUMMARY OF THE CORPORATE PLAN

FOR THE 2015-2016 TO 2019-2020 PLANNING PERIOD  
OPERATING AND CAPITAL BUDGET FOR 2015-2016

Exploring our Natural Future

# Board of Trustees

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(06-June-2013 to 05-June-2017)

St. John's, Newfoundland

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(30-Sep-2010 to 10-Dec-2018)

Toronto, Ontario

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(05-Apr-2012 to 05-Apr-2016)

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(01-Mar-2012 to 29-Feb-2016)

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**Alice McCarron**

(21-Dec-2010 to 20-Dec-2013)

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**Erin Rankin Nash**

(24-Feb-2008 to 29-Feb-2016)

London, Ontario

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(20-Oct-2011 to 19-Oct-2015)

Calgary, Alberta

Appointed for a period not exceeding four years; eligible for three consecutive terms.

If a trustee is not appointed to take office on the expiration of the term of an incumbent trustee, the incumbent trustee continues in office until a successor is appointed.

## **Executive Staff**

**Margaret Beckel**

President  
and Chief Executive Officer

**Ailsa Barry**

Vice-President,  
Experience and Engagement

**Mark Graham**

Vice-President,  
Research and Collections

**Michel Houle**

Vice-President,  
Corporate Services and  
Chief Financial Officer

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## 1.0 Executive Summary

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The Canadian Museum of Nature (the Museum) pursues its national mandate as described in the *Museums Act*, within the context of the governance and accountability regime established in that Act and Part X of the *Financial Administration Act*. The Museum's Board of Trustees and management are committed to managing the public and private funds invested in the institution in a transparent, accountable manner and to optimizing the value of the contribution the Museum makes to Canadians and to Canada.

This Corporate Plan Summary outlines the strategies and priorities the Museum will use to achieve its short and long-term objectives. The Museum's vision is to inspire understanding and respect for nature. It advances this vision by creating and delivering inspiring and memorable connections with nature through engaging and impactful programs of research, collections management, exhibitions and public engagement in a 21st century global context.

By achieving its strategic objectives and its annual corporate priorities, the Museum will realize defined outcomes that support its mandate and advance its position as a national museum of international first rank.

The 2014-2015 results demonstrate the positive impact of changes to the operational approach and strategic direction of the Museum. This past year the Museum advanced a courageous approach to nature inspiration focussed on arctic and species discovery, while taking its place as a national museum of international first rank with a renewed commitment to growing the revenues that will fund its future. The Museum will achieve a balanced budget in 2014-2015 and we forecast a balanced budget for 2015-2016. The Canadian Museum of Nature is grateful for the Government of Canada's ongoing support and its strong commitment to Canada's cultural institutions.

**The 2015-2016 to 2019-2020 Corporate Plan that was approved by the Board of Trustees on February 12, 2015 sets out five strategic objectives:**

- To create a Centre for Arctic Knowledge and Exploration that transforms people's understanding of Canada's Arctic and its relationship to Canada as a country in a 21<sup>st</sup> Century global context.
- To create a Centre for Species Discovery and Change that transforms people's understanding of the relevance of species diversity to their lives now and in the future.
- To create a Centre for Nature Inspiration and Engagement that transforms people's expectations of the Museum as a destination for discussion, connection and exploration with nature's past, present and future.
- To position the Natural Heritage Campus as a centre of excellence in collections management and in knowledge creation, advancement and sharing.
- To create a sustainable business enterprise model of operation that leverages the Museum's strategic imperatives: knowledge and discovery, inspiration and engagement, presence, performance and advancement.

**In 2015-2016 the Museum will concentrate its efforts on the following priorities:**

- Arctic: Launch the Centre for Arctic Knowledge and Exploration.
- Species Discovery: Launch the Centre for Species Discovery and Change.
- Nature Inspiration: Launch the Nature Inspiration Science Salon program.
- Campus: Launch the collections digitization and access project.
- Sustainable Enterprise: Launch a major gifts campaign in support of Arctic and species discovery.

**In 2015-2016 the Museum will operate within the context of the following Strategic Issues:**

The Advancement programs of the Museum operate within a competitive marketplace for donors and volunteer talent. The Museum continues to attract major donors due to the excitement and naming opportunities associated with its renovated Victoria Memorial Museum Building, however it faces challenges in its ability to attract the volunteer leadership necessary to advance our major gift, sponsorship and annual giving programs.

The Museum is shifting from an appropriation based operating model to a business enterprise operating model. This shift calls for new skills and accountabilities for staff and volunteers. The challenge for the Museum is ensuring the shift happens at the required pace through recruitment, training and performance management.

## 2.0 Corporate Overview

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The Canadian Museum of Nature pursues its national mandate as described in the *Museums Act*, within the context of the governance and accountability regime established in Part X of the *Financial Administration Act*. The Museum's Board of Trustees and management are firmly committed to managing the public and private funds invested in the institution in a transparent, accountable manner, and to optimizing the value of the contribution the Museum makes to Canadians and Canadian society.

The Canadian Museum of Nature became a Crown corporation on July 1, 1990 through the *Museums Act*. The Museum is named in Part 1 of Schedule III to the *Financial Administration Act* and is subject to the control and accountability requirements set out for Crown corporations in that Act. It reports to Parliament through the Minister of Canadian Heritage and Official Languages.

The Museum is responsible for two facilities, the Victoria Memorial Museum Building (VMMB) in Ottawa, ON and the Natural Heritage Campus (NHC) in Gatineau, QC. The Museum's galleries and most of the exhibitions and programmes are offered at the VMMB. The campus is situated on 76 hectares of land and was designed to provide the standards of safety, security and preservation necessary to safeguard Canada's natural history collection

### 2.1 Mandate and Vision

The mandate of the Canadian Museum of Nature, as embodied in the *Museums Act* (1990), is: "To increase, throughout Canada and internationally, interest in, knowledge of and appreciation and respect for the natural world by establishing, maintaining and developing for research and posterity, a collection of natural history objects, with special but not exclusive reference to Canada, and by demonstrating the natural world, the knowledge derived from it and the understanding it represents."

#### Vision

To inspire understanding and respect for nature.

#### Mission

To create and deliver inspiring and memorable connections with nature through engaging and impactful programs of research, collections management, exhibitions and engagement in a 21<sup>st</sup> century global context.

#### Position

A national museum of international first rank known as one of Canada's foremost sources of evidence based insights, inspiring visitor experiences and real engagement with nature's past, present and future.

### 2.2 Governance

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

The Board of Trustees committee structure is designed to support and advance the strategic objectives of the organization and to provide governance oversight as appropriate. The Board of Trustees currently has three Standing committees: Executive, Audit and Finance and Governance and Nominating. It has also

established a profile raising and fundraising arm called the National Nature Council, composed of leaders and philanthropists who believe in the mission of the Museum and wish to advance its mission. Each Committee is responsible for the review of policies, management's adherence to policies and its relation to the strategic objectives of the organization and the policy directives of the Government of Canada as appropriate. The Museum's Annual Public Meeting was held January 29, 2015. Under section 138 of the *Financial Administration Act* (FAA), the Canadian Museum of Nature is required to have a special examination of its systems and practices carried out at least once every 10 years. The planning and examination phase related to the special examination will be conducted during this fiscal year with the final report to be presented in November 2016.

In order to support the advancement efforts of the Museum, the Board participates in the profile raising and fundraising efforts of the National Nature Council (NNC), a group of philanthropists who are helping the Museums raise friends and funds to advance the strategic objectives and mandate of the Museum. The active members of the NNC support the activities of our Advancement department by giving to the Museum, hosting cultivation events and making introductions to potential donors and sponsors. Of the nine active NNC members, five are from our Board of Trustees and four are external to the Board. These nine individuals actively give, get and galvanize on behalf of the Museum.

In accordance with the Privy Council Office's (PCO) Performance Management Program (PMP) for Chief Executive Officers (CEOs) of Crown corporations, the Chairperson of the Board of Trustees is responsible for the establishment of an annual performance agreement with the CEO. The CEO's Performance Agreement is established at the onset of the fiscal year and consists of clear and measurable objectives which are aligned with the approved Corporate Plan as well as current Government priorities. The Governance and Nominating Committee establishes the annual performance objectives for the CEO for Board approval. The Governance and Nominating Committee conducts the year-end CEO performance appraisal and presents its recommendation to the full Board for discussion and approval. The Board of Trustees reviews the CEO's performance, prepares a detailed written assessment and makes a recommendation to the Minister and Deputy Minister of Canadian Heritage for a performance rating. As per PCO guidelines, the performance agreement is comprised of objectives and their related performance measures in the following categories: Policy and Program; Management; Shareholder and Stakeholder Relations; Leadership Results; and Corporate Results.

Performance evaluations for the Executive Management team are conducted by the CEO on an annual basis against the objectives stated in their individual performance agreements. The performance objectives of the Executive Management members are linked to the strategic key result areas outlined in the Corporate Plan as well as the Corporate Commitment.

As part of board governance best practice, the Board approved a set of performance measures for attendance, involvement in Advancement and personal and/or corporate giving. Results to date are on track relative to the targets set for 2014-2015.



## 3.0 Planning Environment

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Fiscal year 2014-2015 was the first year of the five-year strategic framework that is shaping this Corporate Plan Summary. The assessments completed for this five-year framework will confirm that the Museum's value is based on the knowledge it creates and shares with Canadians. For the Museum to increase its social relevance, this knowledge will need to respond to and reflect the evolving interests and concerns of stakeholders.

Dynamic change is required to seize opportunities in the Museum's nature inspiration and in its knowledge and discovery activities. Environmental trends will increase the value of the Museum's mandate over the planning period, but the Museum needs to adapt significantly to deliver. However, the ability to invest in change will be conditioned by the Museum's financial framework which demands new sources of revenue and efficiencies in order to sustain its operations.

### 3.1 Environmental Scan

#### 3.1.1 Research and Discovery

The Canadian Museum of Nature is a leading research facility with demonstrated national and international leadership in Arctic knowledge and exploration, and in species discovery and change. The need for applying this research, as accessed through the national and global networks of knowledge that it supports, will become increasingly important within the context of continued innovation in sustainable development.

Ongoing long term trends that are accelerating consumption, and therefore production, from our planet's resources include;

- Population growth – globally from 7.2B in 2015 to a peak of 9.5B in 2060, with an increasing majority living in urban centres
- Global economic growth, particularly in BRIC countries (Brazil, Russia, India and China) , where high rates of growth are dramatically raising per capita income and consumption for a very large percentage of global population
- Continued reliance on fossil fuels as the primary energy source to support economic growth and on nitrogen based fertilizers to support food production

Unless knowledge is applied to innovation for responsible stewardship of our environment, it is unlikely that these trends can be mutually sustained over the medium to long term horizon. Supporting ecosystems will simply break down. Solutions must place emphasis on sustaining biodiversity and managing a changing Arctic environment. In this effort, the Canadian Museum of Nature has knowledge and expertise that will have increasing importance and value. Given expanding global environmental interdependencies, and the highly integrated nature of the Arctic environment, effective solutions must also carry an international perspective. Canada is the world's second largest country by geography, with the world's second largest Arctic presence. Representing Canada in its areas of expertise as a Federal and national institution, the Canadian Museum of Nature will continue to play a leading role within appropriate national and international bodies in developing, contributing, acquiring, and disseminating relevant scientific knowledge.

The Museum maintains and manages the national natural history collection of over 10.5 million specimens. It is used as a "yardstick" of nature in Canada with which changes to our natural environment are measured and forecast. Increased demand for access to the collection is facilitated through improvements in digital technology and the digitization of pertinent specimen data in order to afford web-based electronic access. Digitization of over 10 million specimens collected over the course of over 100 years demands a longer-term effort, resulting in a need to prioritize digitization in accordance with areas of specialization and in concert with similar efforts by other regional and international institutions. This is managed through the Museum's participation in alliances, such as the Alliance of Natural History

Museums of Canada (ANHMC), and in international bodies, such as the Arctic Natural History Museums Alliance, the Global Biodiversity Information Facility (GBIF) and the International Union for Conservation of Nature (IUCN).

As primary industries, particularly in renewable and non-renewable resources, re-emerge from the current cyclical downturn, their growth potential will be augmented from increased competitiveness resulting from implementing innovations derived from research. In addition to improving efficiencies and yields, knowledge derived from research provides the basis for environmental understanding to ensure responsible stewardship, minimize adjacencies, and reduce risk of downstream costs. In this effort, the Canadian Museum of Nature can and will play a significant role in providing relevant data and expertise, which in turn can establish important connections for future fundraising efforts.

### 3.1.2 Nature Inspiration and Engagement

In its nature inspiration activities at the historic Victoria Memorial Museum Building in Ottawa, the Museum competes for visitor attendance within the Entertainment and Leisure sector as a cultural attraction. The Museum's reputation in its exploration and research role, and the valuable specimens on display from the national natural history collections, form the basis of differentiation and advantage over competitive entertainment and leisure alternatives. The Museum can rightly claim that it is the one place to see the "real" scientific specimen. None-the-less, competition in the sector continues to grow, as the market is becoming increasingly crowded from out-of-home alternatives such as water parks and festivals, and from stay-at-home options from ever more sophisticated home entertainment systems. Maintaining relevance in a digitally connected world where facts are only as far away as a smartphone, demands that the Museum experience embraces new media in telling relevant "stories", as facts alone are not enough. The Museum experience must be engaging, connecting visitors to how the presented knowledge is relevant to them, and providing interactivity for self-customization.

The Museum enjoys strong market penetration in its core family segment within the National Capital Region (NCR), with some geographic growth opportunities in suburban and cross-river communities and within adult and diversity demographic segments. In the face of aging demographics, stability and growth in these segments will rely on increasing frequency of visits through resonant programming and special exhibitions. But more significant growth opportunities reside in the tourist segment, both in capturing larger share of tourists on-the-ground in the NCR through marketing activity and in supporting or leading a variety of efforts to attract new visitors to the city as a destination.

At 20%, the relative proportion of foreign origin tourists as a share of total Canadian tourism is at an historic low (Statistics Canada: Tourism Demand in Canada, 2012). A return to an historic norm of around 40%, driven by incremental demand from economic growth in BRIC countries, larger retirement age populations with increased disposable income and time, and normalization of passport ownership in the USA, will greatly increase the size and importance of tourism as an economic and export sector in Canada – potentially doubling from its current level of 2% of GDP within the next decade.

For international origin visitors, Canada's association with nature is identified as the primary driver of intent to visit the country. Whereas, intent to visit Canada's National Capital as a component of a Canadian visit is tied to developing a broad understanding of Canada as a nation. Canada's national museum of nature stands to benefit on both counts. National museums come first in unaided awareness of NCR attractions in external markets, exceeding even Parliament. The national museums' offer and experience is a cornerstone of the NCR's brand as a tourist destination, and as such is a fundamental driver of tourists' intent to visit. The Museum, together with other national museums, is building on this foundation to ensure that the national capital will model Washington as a national tourist destination as opposed to modelling Canberra. Taking leadership in strengthening national museums' amalgamated value proposition through messaging, branding, and accessibility is core to this.

A key opportunity for building the national museums' and the NCR brand as a tourist destination will be the commemoration of 150<sup>th</sup> anniversary of Confederation in 2017, which the Museum will mark with the opening of a new permanent Arctic gallery. Along with other Federal and regional institutions, the Museum is taking part in marking the years leading to 2017, and in this effort will complete the "Regions of Canada Garden" on the Museum grounds which will include, contingent on successful fundraising, an Arctic sculpture as an outdoor monument.

In addition to competition for visitors, the Museum faces growing competition for the fundraising dollars which are increasingly necessary in order to fulfill its mandate. Raising national awareness of the Museum's mandate will improve fundraising traction in regional markets across Canada that are new to the Museum, as well in diversifying to a broader range of business sectors necessitated by current weakness in the resource sector. At the same time, demographic changes open new opportunities for individual legacy giving.

### **3.2 Strategic Issues**

The Advancement programs of the Museum operate within a competitive marketplace for donors and volunteer talent. The Museum continues to attract major donors due to the excitement and naming opportunities associated with its renovated Victoria Memorial Museum Building, however it faces challenges in its ability to attract the volunteer talent necessary to advance our major gift, sponsorship and annual giving programs.

The Museum is shifting from an appropriation based operating model to a business enterprise operating model. This shift calls for new skills and accountabilities for staff and volunteers. The challenge for the Museum is ensuring the shift happens at the required pace through recruitment, training and performance management.

### **3.3 Risks and Mitigation Strategies**

The Museum has in place an enterprise risk management framework designed to effectively and proactively manage the risks that could prevent the Museum from achieving its objectives. This Corporate Plan identifies five risks and their related mitigation strategies:

1. Risk that a limited donor pipeline may constrain financial resources available to support the investment required for initial implementation of the Museum's strategic objectives. This is mitigated by an aggressive prospecting program by a team of fundraising professionals and a new group of committed volunteers and board members.
2. Risk that the structural deficit will continue to increase due to expenses increasing at a greater rate than revenues, such as facilities maintenance, taxes and general inflation. This is mitigated by a continuous process of expenditure review and new revenue centre creation.
3. Risk that new skills and responsibilities of staff evolve at a different pace than needed by the enterprise business model. This is mitigated by a performance management program supported by coaching, training, clear accountabilities and regular tracking of progress against plan.
4. Risk that information technologies and systems are not available or leveraged to support organizational objectives. This is mitigated by new leadership and skills in IT and an IT plan that responds to and enables the strategic objectives of the Museum.
5. Risk that aging research equipment, funding constraints, and other factors impair the ability of the Museum to attract research talent and/or collaborators to fulfill research objectives. This is mitigated by continuous investment in equipment through resource reallocation and ongoing fundraising in support of research equipment and fieldwork.

6. Risk that significant number of employees are eligible for retirement resulting in the loss of corporate memory. To mitigate this risk the Museum developed and monitors a succession plan.

## 4.0 Assessment of 2014-2015 Results:

In 2014-2015, the Museum began to advance a new strategic plan that leverages its research and collections strengths in arctic knowledge and species discovery. New approaches to the design and delivery of visitor experiences will enable the Museum to attract and inspire new audiences. These new engaging experiences will lead to higher memberships, higher membership renewal and will provide a foundation for enhanced fundraising. Overall higher levels of engagement will lead to a better understanding of and connection with Canada's natural world.

### Strategic Objective #1:

Create a Centre for Arctic Knowledge and Exploration that **transforms people's understanding of Canada's Arctic** and its relationship with Canada as a country in a 21<sup>st</sup> century global context.

**Strategies:** Advance a five year program to enhance and advance the research, collections, education and exhibition programs focussed on Canada's Arctic within a national and global context.

- Launch new Arctic alliances and content that position the Museum nationally and internally.
- Launch the newly formulated Centre for Arctic Knowledge and Exploration.
- Unveil an Arctic sculpture and associated programming
- Launch the Arctic Gallery and associated programming and research.

**Outcome #1:** Be a global museum leader in Arctic knowledge and exploration

New arctic programming attracted more participants and more sponsorship and media support than anticipated. The higher profile of the arctic generally due to Canada's chairmanship of the Arctic Council helped raise the profile of the research and programming of the Museum.

### Performance Measures:

Outcome	Measure	2014–2015 Performance Target	2014–2015 Performance Forecasts to March 31
Be a global museum leader in arctic knowledge and exploration	<ul style="list-style-type: none"> <li>▪ Number of participants in Arctic themed experiences: gallery, exhibit, program, digital</li> <li>▪ Funds raised supporting arctic research, collections and engagement programming</li> <li>▪ Number of contacts with the Museum of Nature and its experts and collections for arctic related content, expertise and collaboration</li> <li>▪ Awareness of the Museum's arctic content and expertise as measured by media mentions, stories, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 250,000 to 400,000 annually</li> <li>▪ \$200,000</li> <li>▪ 60</li> <li>▪ 20 stories</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2,195,920</li> <li>▪ \$250,000</li> <li>▪ 80</li> <li>▪ 108 stories</li> <li>▪ 125 mentions</li> </ul>

## Strategic Objective #2:

Create a Centre for Species Discovery and Change that **transforms people’s understanding of the relevance of species diversity** to their lives now and in the future.

**Strategies:** Advance a five year program to advance and disseminate the research, collections, education and exhibition programs explaining Canada’s species diversity aligned with the United Nations Convention on Biodiversity 2020 program.

- Lead Canada’s membership and participation in GBIF (Global Biodiversity Information Facility)
- Launch the newly formulated Centre for Species Discovery and Change
- Unveil the Regions of Canada Gardens at the VMMB
- Position the Museum’s leadership in species discovery at national and international conferences such as IUCN World Congress
- Launch a national campaign profiling research expertise

**Outcome #2:** Be a national leader and global influencer in advancing and sharing knowledge about species discovery and change.

Species discovery performance measures are tied to the research program of our scientists and the number and value of external research grants received. This year we received more than expected support for graduate students and had less time to describe and classify new species. Access to our digitized collections data is primarily through the Global Biodiversity Information Facility (GBIF). GBIF developed new tools for tracking downloads of data and so our number increased dramatically. Our efforts to encourage a new system for funding Canada’s membership in GBIF failed this year. We will continue to encourage our colleagues within the Government of Canada to find a source to fund Canada’s membership in GBIF.

## Performance Measures:

Outcome	Measure	2014–2015 Performance Target	2014–2015 Performance Forecasts to March 31
Be a national leader and global influencer in advancing and sharing knowledge about species discovery and change	▪ Number of publications	▪ 45	▪ 56
	▪ Number of new species described by the Museum	▪ 20	▪ 18
	▪ Number of collaborators involved in the work the Museum does	▪ 320	▪ 131 Research and Collections ▪ 109 Experience and Engagement
	▪ Number of new experts being guided by us	▪ 22	▪ 38
	▪ Number of collections acquired	▪ 20,000	▪ 56,457
	▪ Amount of data shared digitally over the internet: downloads	▪ 1.2 million downloads	▪ 7,478,286 downloads
	▪ Percentage of GBIF memberships funded	▪ 10%	▪ zero

### Strategic Objective #3:

Create a Centre for Nature Inspiration and Engagement that **transforms people’s expectations of the Canadian Museum of Nature as a destination** for discussion, connection and exploration with nature’s past, present and future that advances understanding and respect for Canada’s natural world.

**Strategies:** Advance a five year program of inspiration and engagement activities on-site and off-site that deliver a different and compelling approach to connection and engagement with nature.

Launch the Nature Inspiration Centre (NIC) as a place for piloting new experiences with new and existing audiences.

- Launch an annual award recognizing excellence in nature inspiration.
- Launch the global summit on nature inspiration to share new approaches to inspiring engagement with nature and our natural future.
- Launch commercial products piloted in the NIC in markets across Canada.
- Launch a national salon series in collaboration with a major partner – giving nature a voice across Canada.

**Outcome #3:** Be a national leader in nature inspiration experiences on-site and off-site.

The length of time our visitors spend in the Museum is impacted by many factors including the number of temporary exhibits in the building at any one time and the number of experiences we charge extra for. We cut back the number of temporary exhibits this year as part of our budget streamlining exercise and introduced a surcharge for our fall/winter temporary exhibit. This was offset by a 25% increase in our membership program.

### Performance Measures:

Outcome	Measure	2014–2015 Performance Target	2014–2015 Performance Forecasts to March 31
Be a national leader in nature inspiration experiences on-site and off-site	<ul style="list-style-type: none"> <li>▪ Number of visitors attending the VMMB and NHC generated experiences</li> <li>▪ Change in the holding power of the Museum visitor experiences</li> <li>▪ Change in membership renewal rate and total memberships</li> <li>▪ Change in reach of museum expertise demonstrated by number of collaborations, conference presentations and workshop</li> <li>▪ Number of organizations collaborating with the Museum for content and experience creations</li> <li>▪ Funds raised in support of nature inspiration, content and experiences</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2.5 million</li> <li>▪ Increase hold by 10%</li> <li>▪ 4300 memberships</li> <li>▪ 43% renewal</li> <li>▪ 25 events</li> <li>▪ 6 collaborators</li> <li>▪ \$200,000</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1.4 million</li> <li>▪ Stable</li> <li>▪ 5,597 memberships</li> <li>▪ 57% renewal</li> <li>▪ 38 events</li> <li>▪ 74 collaborators</li> <li>▪ \$891,000</li> </ul>

## Strategic Objective #4:

**Position the Natural Heritage Campus as a centre of excellence** in collections management and knowledge creation, advancement and sharing by becoming a collections collaborator with institutions around the world seeking to collect, preserve, digitize and disseminate specimens that document the nature of Canada.

**Strategies:** Advance a five year program that positions the Campus as a globally excellent research, collections, administration and experience site that advances understanding and respect for nature.

- Participate in, and collaborate with national and international research and collections management organizations.
- Launch a public awareness campaign highlighting the role and achievements of Museum scientists and collection management staff.
- Animate the Campus through public programmes.
- Launch the collections digitization and access project aligned with the Museum's role with GBIF thus leveraging its technology in providing greater online access to its collections and knowledge.
- Launch a digital/IT network upgrade to increase the Museum's capacity and improve access to support new digital nature experiences.
- Attract and house signature collections from public and private sources.

**Outcome #4:** Be a global museum leader in natural heritage collections storage, study, preservation, digitization and dissemination.

Our research scientists and our collection care experts are increasingly recognized for their expertise and are therefore called upon to participate and/or lead boards, committees and councils across Canada and around the world. In addition to tracking digital access to our collections based knowledge through GBIF, we are tracking digital access through our own web based Collections On Line system, resulting in a total of 16 million digital downloads of collections data.

## Performance Measures:

Outcome	Measure	2014–2015 Performance Target	2014–2015 Performance Forecasts to March 31
Be a global museum leader in natural heritage collections storage, study, preservation, digitization and dissemination	<ul style="list-style-type: none"> <li>▪ Number of leadership roles in national and international collections management and research bodies</li> <li>▪ Growth of collections through new signature public and private sources gifted to the Canadian Museum of Nature</li> <li>▪ Access to NHC on-site and digitally through the Museum and third party created experiences</li> <li>▪ Position relative to Alliance of Natural History Museums of Canada collections for # of Canadian collections digitized</li> </ul>	<ul style="list-style-type: none"> <li>▪ 20</li> <li>▪ 2% increase</li> <li>▪ 26.4 million</li> <li>▪ 750,000</li> </ul>	<ul style="list-style-type: none"> <li>▪ 38</li> <li>▪ 2% increase</li> <li>▪ 35.8 million</li> <li>▪ 790,000 2<sup>nd</sup> in Canada</li> </ul>



## Strategic Objective #5:

Create a **sustainable business enterprise model of operation** that leverages the Museum's strategic imperatives: knowledge and discovery, inspiration and engagement, presence, performance and advancement.

**Strategies:** Advance a five year program of continuous innovation in all aspects of the Museum operation in order to create a financial and operational model that sustains the Museum now and into the future.

- Position the Museum as a fundamental element of the national capital experience.
- Launch a collaborative national museums positioning campaign leading up to 2017.
- Launch a fundraising program in support of the arctic and species discovery initiatives.
- Systematize the contribution analysis model enterprise management.
- Launch a program to develop the skills/competencies and human capacity needed to advance and maintain a sustainable museum enterprise.
- Continue to leverage the Council of CEOs with collaborative procurement, profile raising and exhibit planning coordination. This year will result in \$10,000 reduction in costs.

**Outcome #5:** Be a national leader in sustainable museum enterprise operations within an international best practice context.

Most measures were close to target with the exception of total earned revenue as a percent of the total budget. The success of our special exhibit Creatures of Light and our adult program Nature Nocturne resulted in higher than anticipated revenues at year end.

## Performance Measures:

Outcome	Measure	2014–2015 Performance Target	2014–2015 Performance Forecasts to March 31
Be a national leader in sustainable museum enterprise operations within an international best practice context.	<ul style="list-style-type: none"> <li>▪ Earned revenue as % of total budget</li> <li>▪ Penetration of tourist market</li> <li>▪ Advancement revenue as % of earned revenue</li> <li>▪ Number of experience connections per FTE and per dollar spent</li> <li>▪ Conversion of connections to stakeholder relationships</li> <li>▪ Number of media mentions</li> <li>▪ Align the performance management and succession plans to support the enterprise model and the skills and human resources needed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 19%</li> <li>▪ 10%</li> <li>▪ 16%</li> <li>▪ 223,385 ▪ \$1.11</li> <li>▪ 17,000</li> <li>▪ 1,200 mentions</li> <li>▪ Roll out new performance management system – year one</li> </ul>	<ul style="list-style-type: none"> <li>▪ 22%</li> <li>▪ 10%</li> <li>▪ 21%</li> <li>▪ 242,895 ▪ \$0.75</li> <li>▪ 22,388</li> <li>▪ 430 stories ▪ 663 mentions</li> <li>▪ Launched new Performance Management Program – Year 1</li> </ul>

## 5.0 Objectives and Strategies for 2015- 2016

In 2015-2016, the Museum will advance year two of a new strategic plan that leverages its research and collections strengths in arctic knowledge and species discovery. New approaches to the design and delivery of visitor experiences will enable the Museum to attract and inspire new audiences. These new engaging experiences will lead to higher memberships, higher membership renewal and will provide a foundation for enhanced fundraising. Overall higher levels of engagement will lead to a better understanding of and connection with Canada's natural world.

### Strategic Objective #1:

Create a Centre for Arctic Knowledge and Exploration that **transforms people's understanding of Canada's Arctic** and its relationship with Canada as a country in a 21<sup>st</sup> century global context.

**Strategies:** Advance a five year program to enhance and advance the research, collections, education and exhibition programs focussed on Canada's Arctic within a national and global context.

- Launch the newly formulated Centre for Arctic Knowledge and Exploration.

**Outcome #1:** Be a global museum leader in Arctic knowledge and exploration.

### Performance Measures:

Outcome	Measure	2014–2015 to 2018-2019 Performance Target	2015–2016 Performance Target
Be a global museum leader in arctic knowledge and exploration	<ul style="list-style-type: none"> <li>▪ Number of participants in Arctic themed experiences: gallery, exhibit, program, digital</li> <li>▪ Funds raised supporting arctic research, collections and engagement programming</li> <li>▪ Number of contacts with the Museum of Nature and its experts and collections for arctic related content, expertise and collaboration</li> <li>▪ Awareness of the Museum's Arctic content and expertise as measured by media mentions, stories, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 250,000 to 2 million annually</li> <li>▪ From \$100,000 to \$500,000 annually</li> <li>▪ From 50 to 200 annually</li> <li>▪ From 10 to 100 stories annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ 500,000</li> <li>▪ \$250,000</li> <li>▪ 75</li> <li>▪ 30</li> </ul>

## Strategic Objective #2:

Create a Centre for Species Discovery and Change that **transforms people’s understanding of the relevance of species diversity** to their lives now and in the future.

**Strategies:** Advance a five year program to advance and disseminate the research, collections, education and exhibition programs explaining Canada’s species diversity aligned with the United Nations Convention on Biodiversity 2020 program.

- Launch the newly formulated Centre for Species Discovery and Change
- Unveil the Regions of Canada Gardens at the VMMB

**Outcome #2:** Be a national leader and global influencer in advancing and sharing knowledge about species discovery and change.

## Performance Measures:

Outcome	Measure	2014–2015 to 2018-2019 Performance Target	2015–2016 Performance Target
Be a national leader and global influencer in advancing and sharing knowledge about species discovery and change	<ul style="list-style-type: none"> <li>▪ Number of publications</li> <li>▪ Number of new species described by the Museum</li> <li>▪ Number of collaborators involved in the work the Museum does</li> <li>▪ Number of new experts being guided by us</li> <li>▪ Number of collections acquired</li> <li>▪ Amount of data shared digitally over the internet</li> <li>▪ Percentage of GBIF memberships funded</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 40 to 60 annually</li> <li>▪ From 10 to 20 species</li> <li>▪ From 200 to 400 collaborators</li> <li>▪ From 20 to 30 students/post docs</li> <li>▪ From 10,000 to 50,000 lots</li> <li>▪ From 1 to 5 million downloads</li> <li>From 10% to 100% from collaborations</li> </ul>	<ul style="list-style-type: none"> <li>▪ 50</li> <li>▪ From 10 – 20</li> <li>▪ 250</li> <li>▪ 20 to 30</li> <li>▪ 22,000</li> <li>▪ 5 million</li> <li>▪ From 10% to 20%</li> </ul>

### Strategic Objective #3:

Create a Centre for Nature Inspiration and Engagement that **transforms people’s expectations of the Canadian Museum of Nature as a destination** for discussion, connection and exploration with nature’s past, present and future that advances understanding and respect for Canada’s natural world.

**Strategies:** Advance a five year program of inspiration and engagement activities on-site and off-site that deliver a different and compelling approach to connection and engagement with nature.

- Launch the Nature Inspiration Centre (NIC) as a place for piloting new experiences with new and existing audiences.
- Launch a National Salon Series in collaboration with a major partner – giving nature a voice across Canada.

**Outcome #3:** Be a national leader in nature inspiration experiences on-site and off-site.

### Performance Measures:

Outcome	Measure	2014–2015 to 2018 - 2019 Performance Target	2015–2016 Performance Target
Be a national leader in nature inspiration experiences on-site and off-site	<ul style="list-style-type: none"> <li>▪ Number of visitors attending the VMMB and NHC generated experiences</li> <li>▪ Change in the holding power of the Museum visitor experiences</li> <li>▪ Change in membership renewal rate and total memberships</li> <li>▪ Change in reach of museum expertise demonstrated by number of collaborations, conference presentations and workshop</li> <li>▪ Number of organizations collaborating with the Museum for content and experience creations</li> <li>▪ Funds raised in support of nature inspiration, content and experiences</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 1 to 3 million</li> <li>▪ Increase hold by 50% (by 30 minutes)</li> <li>▪ From 4,200 and 42% renewal to 5,000 and 60% renewal</li> <li>▪ 20 events</li> <li>▪ From 25 to 100 collaborations</li> <li>▪ From \$100,000 to \$500,000 annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1.5 million</li> <li>▪ Increase by 20%</li> <li>▪ 5,000 and 60% renewal</li> <li>▪ 30 events</li> <li>▪ 75 collaborators</li> <li>▪ \$300,000 annually</li> </ul>

## Strategic Objective #4:

**Position the Natural Heritage Campus as a centre of excellence** in collections management and knowledge creation, advancement and sharing by becoming a collections collaborator with institutions around the world seeking to collect, preserve, digitize and disseminate specimens that document the nature of Canada.

**Strategies:** Advance a five year program that positions the Campus as a globally excellent research, collections, administration and experience site that advances understanding and respect for nature.

- Launch the collections digitization and access project aligned with the Museum's role with GBIF thus leveraging its technology in providing greater online access to its collections and knowledge.

**Outcome #4:** Be a global museum leader in natural heritage collections storage, study, preservation, digitization and dissemination.

## Performance Measures:

Outcome	Measure	2014–2015 to 2018-2019 Performance Target	2015–2016 Performance Target
Be a global museum leader in natural heritage collections storage, study, preservation, digitization and dissemination	<ul style="list-style-type: none"> <li>▪ Number of roles in national and international collections management and research bodies</li> <li>▪ Growth of collections through new signature public and private sources gifted to the Canadian Museum of Nature</li> <li>▪ Access to NHC on-site and digitally through the Museum and third party created experiences</li> <li>▪ Position relative to Alliance of Natural History Museums of Canada collections for # of Canadian collections digitized</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 10 to 50</li> <li>▪ Increase collection by 10% over plan timeframe</li> <li>▪ From 20 – 30 million downloads</li> <li>▪ From 700,000 to 1 million digitized Canadian specimens</li> </ul>	<ul style="list-style-type: none"> <li>▪ 25</li> <li>▪ 2%</li> <li>▪ 25 million downloads</li> <li>▪ 800,000</li> </ul>

## Strategic Objective #5:

Create a **sustainable business enterprise model of operation** that leverages the Museum's strategic imperatives: knowledge and discovery, inspiration and engagement, presence, performance and advancement.

**Strategies:** Advance a five year program of continuous innovation in all aspects of the Museum operation in order to create a financial and operational model that sustains the Museum now and into the future.

- Launch a fundraising program in support of the arctic and species discovery initiatives.
- Launch a program to develop the skills/competencies and human capacity needed to advance and maintain a sustainable museum enterprise.
- Continue to leverage the Council of CEO's with collaborative procurement, profile raising and exhibit planning coordination.

**Outcome #5:** Be a national leader in sustainable museum enterprise operations within an international best practice context.

## Performance Measures:

Outcome	Measure	2014–2015 to 2018-2019 Performance Target	2015–2016 Performance Target
Be a national leader in sustainable museum enterprise operations within an international best practice context.	<ul style="list-style-type: none"> <li>▪ Earned revenue as % of total budget</li> <li>▪ Penetration of tourist market</li> <li>▪ Advancement revenue as % of earned revenue</li> <li>▪ Number of experience connections per FTE and per dollar spent</li> <li>▪ Conversion of connections to stakeholders relationships</li> <li>▪ Number of media mentions</li> <li>▪ Align the performance management and succession plans to support the enterprise model and the skills and human resources needed</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 17 to 20%</li> <li>▪ From 10% to 20% market penetration</li> <li>▪ From 15% to 20%</li> <li>▪ From 200,000 per to 300,000 per FTE</li> <li>▪ From \$2.00 to \$1.00 per connection</li> <li>▪ From 16,000 to 20,000 members</li> <li>▪ From 5 to 10 mentions per day</li> <li>▪ Roll out new performance management system – year one</li> <li>▪ Apply new succession plan – year two</li> <li>▪ Combined and integrated approach – year three onwards</li> </ul>	<ul style="list-style-type: none"> <li>▪ 20%</li> <li>▪ 12%</li> <li>▪ 17%</li> <li>▪ 250,000</li> <li>▪ \$1.00</li> <li>▪ 20,000</li> <li>▪ 1200 annual</li> <li>▪ Apply new succession plan</li> </ul>

## 6.0 Five-Year Financial Plan

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### 6.1 Overview

The Museum has made significant progress towards achieving financial sustainability through a combination of revenue generation and expenditure reduction measures implemented over the past five years. In order to maintain financial sustainability, the Museum will strive to increase self-generated revenues by 5% annually while limiting increases in expenditures to 1% annually. To enable that outcome, the Museum is shifting from an appropriation based operating model to a sustainable museum enterprise operating model. This shift is meant to foster innovation and calls for new skills and accountabilities for staff and volunteers. The challenge for the Museum is ensuring this shift happens at the required pace through recruitment, training and performance management.

An early example of this shift to a sustainable museum enterprise operating model is the incredible success of the Museum's Nature Nocturne evenings – these adult only evenings have seen sold out crowds and a new perspective on the Museum as a place for young adults. The introduction of new programs at the VMMB such as Nature Nocturne has resulted in nearly tripling the revenues generated from programs. Other important initiatives were the revenues generated from collections storage and management service fees and facility leasing fees to fund strategic investments in the Centre for Arctic Knowledge & Exploration and the Centre for Species Discovery & Change.

Building a high performance advancement operation focussed on developing a pipeline of annual, sponsorship and major gifts prospects and donors is an important element of the sustainable museum enterprise operating model and to the success of the Museum in the future. The new advancement strategy implemented in 2013-2014 and 2014-2015 focuses on building support from individual, corporate and foundation donors that includes a Patron Circle fundraising program and a National Nature Council to raise the Museum's profile and raise funds in support of the Museum's position as a leader in Arctic research and discovery.

The Museum will continue looking for ways to find new and larger sources of self-generated revenue for its programs and services, and to develop new approaches to working with collaborators. Revenue generation measures in 2015-2016 and beyond will include:

- continue with the roll out of the next phase of the Museum's fundraising and development strategy, with the goal of raising \$15 million over five years in support of operations, exhibitions and inspiration and engagement programming;
- implement a plan to increase revenues by capitalizing on the VMMB's commercial operations, especially in the areas of attendance and membership fees, rental of facilities, boutique and online sales;
- expand the Museum's virtual presence and attract new audiences through the use of new broadcast technologies and digital strategies;
- enhance existing marketing and awareness campaigns, including the Museum's social media marketing campaign;
- build and strengthen the Museum's exhibitions and public-education programming with a view to continuously increasing overall attendance and diversifying its audience base;
- continue to develop a new model for the travelling exhibitions program at the Museum;
- monetize the physical assets of the Museum at the VMMB and NHC sites.

The Museum continuously reviews its program, its means of delivery and its supporting activities to ensure they remain relevant to Canadians. Given the expenditure reduction measures implemented in previous years and recognizing the financial pressures of many museums across the country, the Museum embarked on collaboration with Science North in Sudbury to share equally in the costs of developing a traveling exhibition on the Arctic. Through the collaboration both institutions were able to build a larger and more content rich show than they would have been able to do alone. The collaboration to co-create Arctic Voices was initiated in June 2013, and opened at Science North in March 2014. This collaboration model reflects a direction the Museum will continue to pursue to leverage scarce resources to best effect.

Furthermore, the Museum continues to identify and act on opportunities for collaboration with the national museums that improve effectiveness and efficiency. Resulted in \$10,000 reduction in costs in 2014-2015. The Museums now have a systematic approach for identifying and advancing co-procurement projects, cooperative exhibit scheduling and cooperative marketing projects.

<i>(in thousands of dollars - except for staff levels)</i>	<b>2013-2014 Actual</b>	<b>2014-2015 Outlook</b>	<b>2015-2016 Budget</b>	<b>2016-2017 Forecast</b>	<b>2017-2018 Forecast</b>	<b>2018-2019 Forecast</b>	<b>2019-2020 Forecast</b>
<b>Staff Levels</b>	135	131	134	134	134	131	131
Inspiration and engagement	9,177	9,517	9,858	9,868	9,775	9,825	9,792
Collections care and access	2,305	2,636	2,067	2,087	2,107	2,128	2,149
Research and discovery	4,304	4,305	4,189	4,229	4,271	4,312	4,355
Internal services	4,649	4,869	4,950	4,971	5,038	5,068	5,137
Buildings and grounds - Operating	13,018	12,126	12,092	12,260	12,424	12,591	12,767
<b>Sub-total</b>	<b>33 453</b>	<b>33 453</b>	<b>33 156</b>	<b>33 415</b>	<b>33 615</b>	<b>33 924</b>	<b>34 200</b>
Less: Revenues	(6 682)	(7 324)	(7 027)	(7 286)	(7 486)	(7 795)	(8 071)
<b>Appropriation</b>	<b>26 771</b>	<b>26 129</b>	<b>26 129</b>	<b>26 129</b>	<b>26 129</b>	<b>26 129</b>	<b>26 129</b>

**Note:** Table 1 is prepared on a cash basis whereas the financial statements are prepared on an accrual basis and therefore, Deferred Parliamentary Appropriations are not reflected in Table 1.

Table 1 outlines the budget summary by activity based upon approved reference levels and revenue projections for the planning period. The Museum's program alignment architecture reflects the three central aspects of the Museum's mandate: Inspiration and engagement, Collections care and access and Research and discovery. Internal services includes the development and implementation of policies, accountability structure, processes and support to all Museum activities through services to oversee the fulfillment of the Museum's mandate, including governance, strategic direction and corporate services. Building and grounds includes the ongoing operations and maintenance of the Museum's two facilities. During 2014-2015, the Treasury Board Secretariat approved the amendments proposed by the Museum to its program alignment architecture. The amendments resulted in the renaming of all of its program activities except for internal services and the creation of three sub-program activities related to revenue generation in the Inspiration and engagement program activity.

In 2015-2016, the Museum will operate with a total budget of \$33.2 million. 79 percent of the operating resources will come from parliamentary appropriations (78 percent in 2014-2015), while the remaining 21 percent will come from self-generated revenues (22 percent in 2014-2015). The 2014-2015 revenues included \$501 thousand in contributions recognized at fair market value for specimen donations to the collections. The offset to expenses were accounted as objects for collections in the Collection care and access program activity. Excluding revenues from specimen donations, self-generated revenues as a percent of total resources are projected to increase from 19 percent in 2014-2015 to 21 percent in 2015-2016.



The budget for Inspiration and engagement in 2015-2016 includes the activities in support of education programs and the development of permanent galleries, special temporary exhibitions and guest services. Building and strengthening the Museum's special temporary exhibitions program will continue to be a priority. A strong special temporary exhibition program is important to increasing and sustaining strong attendance and revenues. The Museum will also strive to finance in part temporary exhibitions through sponsorships. Another objective is to increase national outreach by expanding the Museum's virtual presence and attracting new audiences through the use of new broadcast technologies and digital strategies. The additional staff levels in 2015-2016 reflect the temporary resources required to design and build the arctic gallery planned to open in 2017-2018.

Excluding objects for collections of \$501 thousand recognized in 2014-2015, the budget for Collections care and access in 2015-2016 will be close to the amount spent in the previous year, hence maintaining the cost reduction measures implemented in 2012-2013. The Museum will improve the effectiveness and efficiency of the Museum's operations as it relates to conservation and services associated with its collections. This will be achieved by optimizing environmental controls and the organizational structure in the collections areas.

The budget for Research and discovery in 2015–2016 will be close to the amount spent in the previous year in support of the Museum increasing its capacity to create information related to biodiversity through its *Museum Research Centres of Excellence*. *Museum Research Centres of Excellence* are scientific projects that are initiated and led by the Canadian Museum of Nature, are national in scope and are done in collaboration with external experts. The collections-based research will bear results that can be directly applied to issues of relevance to Canadians. The two Museum Research Centres of Excellence established in 2010-2011 are:

- *Arctic Knowledge & Exploration* initiative focusing a comprehensive effort in documenting the Arctic and widely disseminating this knowledge through publications, freely available online databases, workshops and symposia; and,
- *Species Discovery & Change* will continue to create new scientific knowledge on plants, animals, minerals and fossils. This will result in the addition of thousands of specimens to the national collection, based on the Museum's field studies and those of other museums

The budget for Internal services in 2015–2016 will be close to the amount spent in the previous year, hence maintaining the cost reduction measures implemented in 2012-2013. The increase from 2013-2014 to 2014-2015 reflect the transfer of the information management function to Internal services.

The budget for Buildings and grounds - Operating in 2015-2016 represents a decrease from the amount spent in the previous year as a result of cost reduction and control measures implemented in 2014-2015. However, the costs of managing the Museum's two buildings have increased since the completion of the renovated VMMB. Buildings and grounds represents 36 percent of total operating expenses. The new museum-standard environmental control systems and additional space that must now be maintained at the renovated VMMB have placed an additional pressure on the Museum's operating budget. The Museum continues to explore additional facilities cost reduction and control measures in order to minimize the financial impact on its programs.

## 6.2 Attendance and Revenue Forecast

TABLE 2: Revenue Forecast							
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<i>(in thousands of dollars)</i>	Actual	Outlook	Budget	Forecast	Forecast	Forecast	Forecast
Inspiration and engagement	5,925	6,753	6,369	6,646	6,849	7,147	7,458
Collections care and access	253	234	234	234	234	234	234
Research and discovery	16	2	-	-	-	-	-
Internal services	488	335	424	406	403	414	379
Buildings and Grounds	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>6,682</b>	<b>7,324</b>	<b>7,027</b>	<b>7,286</b>	<b>7,486</b>	<b>7,795</b>	<b>8,071</b>

Table 2 outlines the revenue forecast for the planning period.

The revenue forecast for admission fees and other revenues in 2015–2016 and beyond are aggressive, and will be monitored closely by the Museum, given the challenging business environment.

In 2013-2014, revenues related to Inspiration and engagement included \$507 thousand recognized from restricted cash accounts. In 2013-2014, the Museum also started accounting for gift-in-kind and it recognized \$242 thousands of publicity and promotion in-kind, explaining the year over year variance. Inspiration and engagement revenues are expected to increase in 2015-2016 and beyond due to the introduction of new programming and value-based pricing for education programs, admission fees, parking, rental of facilities and memberships. In 2014-2015, the Museum recognized contributions in Collections care and access for specimen donations to the collections with a fair market value of \$501 thousand. Internal services revenues include interest income and other revenues such as traveling exhibitions and NHC leasing.

## 6.3 2015–2016 Operating and Capital Budgets

The budgets have been formulated on the basis of the operating forecast and the program alignment architecture and services required in support of these activities. Table 3 summarizes the operating and capital budget.

TABLE 3: Summary of Operating and Capital Budgets				
	2013-2014	2014-2015	2014-2015	2015-2016
<i>(in thousands of dollars)</i>	Actual	Approved	Outlook	Proposed
Capital Budget	2,302	2,400	2,025	375
Operating Budget	25,680	32,347	33,453	33,156
Variation in Deferred Appropriation - Capital	5,471	(2,400)	(2,025)	(375)
Less Revenues	(6,682)	(6,220)	(7,324)	(7,027)
<b>Appropriation</b>	<b>26,771</b>	<b>26,127</b>	<b>26,129</b>	<b>26,129</b>

The Museum is estimating expenditures of \$26.129 million in 2015-2016 which is a small increase of \$2 thousand from the previous year and is due to compensation adjustments.

The Museum is on track to spend as per approved capital budget in 2014-2015 with the exception of \$375 thousand for base building infrastructure and landscaping west of the VMMB that will be spent in 2015-2016. The 2014-2015 outlook for operating expenditures is higher than the approved budget due mainly to the higher admission and program fees collected for the Creatures of Light major temporary exhibit and Nature Nocturne events. The increase is also due to higher attendance than budgeted and \$587 thousands in in-kind sponsorships and specimen donations.

## 6.4 Financial Statements

The pro forma financial statements have been prepared in accordance with Section 4200 series of the Canadian Public Sector Accounting Standards applicable to government-not-for-profit organizations consistent with those reported in the institution's annual report. The Corporation applies the deferral method of accounting for contributions for not-for-profit organizations.

STATEMENT 1: Statement of Financial Position							
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<i>(in thousands of dollars)</i>	Actual	Forecast	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
<b>Assets</b>							
Current							
Cash and cash equivalents	7,888	3,300	3,000	3,000	3,000	3,000	3,000
Accounts receivable							
Trade	352	300	300	300	300	300	300
Government departments and agencies	293	500	500	500	500	500	500
Prepaid expenses	1,053	1,000	700	700	700	700	700
	9,586	5,100	4,500	4,500	4,500	4,500	4,500
Restricted cash, cash equivalents and receivables	1,416	2,000	3,000	4,000	500	500	500
Collections	1	1	1	1	1	1	1
Capital assets	197,985	207,776	196,687	186,243	178,169	171,832	165,994
	208,988	214,877	204,188	194,744	183,170	176,833	170,995
<b>Liabilities</b>							
Current							
Accounts payable and accrued liabilities							
Trade	3,200	1,000	1,000	1,000	1,000	1,000	1,000
Government departments and agencies	165	100	100	100	100	100	100
Current portion - obligation under capital lease	649	648	716	790	873	963	1,064
Deferred revenue, contributions and parliamentary appropriations	3,283	2,000	3,000	4,000	500	500	500
Employee future benefits	422	611	489	391	313	250	200
	7,719	4,359	5,305	6,281	2,786	2,813	2,864
Obligation under capital lease	28,353	28,342	27,626	26,836	25,963	25,000	23,936
Deferred contributions related to capital assets	179,997	190,514	180,360	171,320	164,546	159,423	154,725
Employee future benefits	3,055	2,444	1,955	1,564	1,251	1,001	801
	219,124	225,659	215,246	206,001	194,546	188,237	182,326
<b>Net Assets</b>							
Unrestricted	573	881	1,254	1,770	2,441	3,288	4,323
Restricted for endowment purposes	305	-	-	-	-	-	-
Investment in capital assets	(11,014)	(11,663)	(12,311)	(13,028)	(13,817)	(14,692)	(15,654)
	(10,136)	(10,782)	(11,057)	(11,258)	(11,376)	(11,404)	(11,331)
	208,988	214,877	204,188	194,744	183,170	176,833	170,995

STATEMENT 2: Statement of Operations							
	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<i>(in thousands of dollars)</i>	Actual	Forecast	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
<b>Revenue</b>							
Admission and program fees	3,107	3,735	3,905	4,100	4,305	4,517	4,741
Ancillary operations	1,488	1,452	1,571	1,622	1,674	1,730	1,787
Contributions	1,330	1,566	893	924	870	900	930
Interest	111	58	57	42	44	46	48
Other	646	513	601	598	593	602	565
	6,682	7,324	7,027	7,286	7,487	7,796	8,072
<b>Expenses</b>							
Inspiration and engagement	9,176	9,517	9,858	9,868	9,775	9,825	9,792
Collections care and access	2,413	2,636	2,067	2,087	2,107	2,128	2,149
Research and discovery	4,358	4,305	4,189	4,229	4,271	4,312	4,355
Internal support services	4,841	4,869	4,950	4,971	5,038	5,068	5,137
Buildings and grounds	20,095	21,336	22,895	21,497	19,316	17,742	17,390
	40,883	42,663	43,959	42,652	40,507	39,075	38,823
<b>Net result of operations before government funding</b>	<b>(34,201)</b>	<b>(35,339)</b>	<b>(36,932)</b>	<b>(35,366)</b>	<b>(33,020)</b>	<b>(31,279)</b>	<b>(30,751)</b>
Parliamentary appropriation	35,183	34,998	36,657	35,165	32,902	31,251	30,824
<b>Net result of operations</b>	<b>982</b>	<b>(341)</b>	<b>(275)</b>	<b>(201)</b>	<b>(118)</b>	<b>(28)</b>	<b>73</b>

**Note:** The losses recognized in the forecast year and five-year year planning period in the Statement of Operations are entirely a result of the accounting treatment related to a long-term capital lease. The Museum received borrowing authority to enter into a long-term capital lease obligation to fund the National Heritage Campus located in Gatineau. The Statement of Operations therefore reflects the interest on the capital lease obligation as well as depreciation charges because of the recognition of the building as an asset. The accounting treatment of the costs associated with the Gatineau facility has a significant negative impact on the Museum's Statement of Operations. The situation will begin to reverse in 2019-2020 until it is fully eliminated by the end of the lease term in 2031. This does not impact the Museum's cash flow or financial stability in anyway.

<b>STATEMENT 3: Statement of Changes in Net Assets</b>				
<i>(in thousands of dollars)</i>	<b>Unrestricted</b>	<b>Endowment</b>	<b>Invested in capital assets</b>	
Net assets, beginning of year	(822)	305	(10,601)	(11,118)
Net result of operations	982	-	-	982
Net change in investment in capital assets	413	-	(413)	-
<b>Net assets, end of year 2013-2014</b>	<b>573</b>	<b>305</b>	<b>(11,014)</b>	<b>(10,136)</b>
Net assets, beginning of year	573	-	(11,014)	(10,441)
Deficiency of revenue over expenses	(341)	-	-	(341)
Net change in investment in capital assets	649	-	(649)	-
<b>Net assets, end of year 2014-2015</b>	<b>881</b>	<b>-</b>	<b>(11,663)</b>	<b>(10,782)</b>
Net assets, beginning of year	881	-	(11,663)	(10,782)
Deficiency of revenue over expenses	(275)	-	-	(275)
Net change in investment in capital assets	648	-	(648)	-
<b>Net assets, end of year 2015-2016</b>	<b>1,254</b>	<b>-</b>	<b>(12,311)</b>	<b>(11,057)</b>
Net assets, beginning of year	1,254	-	(12,311)	(11,057)
Deficiency of revenue over expenses	(201)	-	-	(201)
Net change in investment in capital assets	717	-	(717)	-
<b>Net assets, end of year 2016-2017</b>	<b>1,770</b>	<b>-</b>	<b>(13,028)</b>	<b>(11,258)</b>
Net assets, beginning of year	1,770	-	(13,028)	(11,258)
Deficiency of revenue over expenses	(118)	-	-	(118)
Net change in investment in capital assets	789	-	(789)	-
<b>Net assets, end of year 2017-2018</b>	<b>2,441</b>	<b>-</b>	<b>(13,817)</b>	<b>(11,376)</b>
Net assets, beginning of year	2,441	-	(13,817)	(11,376)
Deficiency of revenue over expenses	(28)	-	-	(28)
Net change in investment in capital assets	875	-	(875)	-
<b>Net assets, end of year 2018-2019</b>	<b>3,288</b>	<b>-</b>	<b>(14,692)</b>	<b>(11,404)</b>
Net assets, beginning of year	3,288	-	(14,692)	(11,404)
Deficiency of revenue over expenses	73	-	-	73
Net change in investment in capital assets	962	-	(962)	-
<b>Net assets, end of year 2019-2020</b>	<b>4,323</b>	<b>-</b>	<b>(15,654)</b>	<b>(11,331)</b>

**STATEMENT 4: Statement of Cash Flows**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<i>(in thousands of dollars)</i>	Actual	Forecast	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
<b>Operating activities</b>							
Cash receipts - customers	6,628	7,811	7,970	8,244	3,943	7,750	8,024
Cash receipts - parliamentary appropriation for operating activities	24,846	26,129	26,129	26,129	26,129	26,129	26,129
Cash disbursements - suppliers and employees	(29,315)	(34,504)	(29,956)	(29,915)	(30,116)	(30,425)	(31,839)
Interest received	113	60	57	42	44	46	48
Interest paid	(2,912)	(2,913)	(2,852)	(2,784)	(2,710)	(2,627)	(2,537)
	(640)	(3,417)	1,348	1,716	(2,710)	873	(175)
<b>Capital activities</b>							
Acquisition of capital assets	(2,302)	(2,025)	(375)	-	-	-	-
Disposition of tangible capital assets	9	2,025	375	-	-	-	-
	(2,293)	-	-	-	-	-	-
<b>Investing activities</b>							
Decrease in restricted cash, cash equivalents and receivable	488	(584)	(1,000)	(1,000)	3,500	-	-
	488	(584)	(1,000)	(1,000)	3,500	-	-
<b>Financing activities</b>							
Appropriations used to purchase depreciable tangible capital assets	2,302	2,025	375	-	-	-	-
Obligation under capital lease	(588)	(587)	(648)	(716)	(790)	(873)	(963)
	1,714	(587)	(648)	(716)	(790)	(873)	(963)
<b>Decrease in cash and cash equivalents</b>	(731)	(4,588)	(300)	-	-	-	-
Cash and cash equivalents, beginning of year	8,619	7,888	3,300	3,000	3,000	3,000	3,000
<b>Cash and cash equivalents, end of year</b>	<b>7,888</b>	<b>3,300</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>