



# SUMMARY OF THE CORPORATE PLAN

FOR THE 2016-2017 TO 2020-2021 PLANNING PERIOD  
OPERATING AND CAPITAL BUDGETS FOR 2016-2017  
Exploring our Natural Future

# Board of Trustees

## Chairperson (Part-time)

**Stephen Henley**

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

St. John's, Newfoundland

## Vice-Chairperson (Part-time)

**Nicholas Offord**

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

Toronto, Ontario

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

## Members (Part-time)

**Ronald Calderoni**

(05-Apr-2012 to 04-Apr-2016)

Boucherville, Quebec

**Doug Feasby**

(06-Mar-2014 to 05-Mar-2018)

Ottawa, Ontario

**Martin Joannis**

(27-June-2006 to 26-June 2013)

Gatineau, Quebec

**Susan Knott**

(10-Apr-2014 to 09-Apr-2018)

Vancouver, British Columbia

**Reg Manhas**

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

Texas, USA

**Alice McCarron**

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

Halifax, Nova Scotia

**Erin Rankin Nash**

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

London, Ontario

**Byron Neiles**

(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

**Charles Bloom**

Interim Vice-President,  
Corporate Services

**Ikram Zouari**

Interim Chief Financial Officer,  
and Director of Finance

## Table of Contents

1.0 Executive Summary .....	2
2.0 Corporate Overview .....	4
3.0 Planning Environment.....	6
4.0 Assessment of results for 2015-2016 .....	10
5.0 Objectives and Strategies for 2016-2017.....	16
6.0 Five-Year Financial Plan.....	21

## 1.0 Executive Summary

---

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 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 2015-2016 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 our place as a national museum of international first rank with a renewed commitment to growing the revenues that will fund our future. The Museum will achieve a balanced budget in 2015-2016 and we forecast a balanced budget for 2016-2017. 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 2016-2017 to 2020-2021 Corporate Plan that was approved by the Board of Trustees on February 18, 2016 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 2016-2017 the Museum will concentrate its efforts on the following priorities:**

- Arctic: Unveil the Arctic sculpture and associated programming.
- Species Discovery: Position the Museum's leadership in species discovery at national and international conferences and events.
- Nature Inspiration: Leverage new products and approaches created by the Centre for Nature Inspiration and Engagement.
- Campus: Advance the collections digitization and access project.
- Sustainable enterprise: Launch a collaborative national museums positioning campaign.

**In 2016-2017 the Museum will operate within the context of the following Strategic Issues:**

The gap in funds to operate the two facilities under the stewardship of the Museum is the most critical issue facing the Museum. This is the result of a decision in 1994 to transfer the custody of Museum land and buildings to the Museum from Public Works and Government Services Canada. Appropriation funding has not been indexed since the transfer to protect the Museum against the impact of inflation on key inputs such as utilities and property taxes. Finding ways to close the Museum's operating funding gap, thus ensuring the financial sustainability of the institution, will require the Museum to find new and larger sources of self-generated revenues for its programs and services, and to develop new approaches to working with collaborators.

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 (total dependence on government appropriate) to a business enterprise operating model (growing dependence on self-generated revenues and innovative approaches to cost containment). 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.

## Corporate Overview

---

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.

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. 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 March 24, 2016. The examination phase related to the special examination will be conducted during this fiscal year with the final report expected to be presented in January 2017.

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 Museum 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 eight active NNC members, four are from our Board of Trustees and four are external to the Board. These eight 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 Privy Council 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 2015-2016.



## 3.0 Planning Environment

---

Fiscal year 2015-2016 was the second 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. Canada's role in the global dialogue about the environment and climate change will raise expectations for the national museum of natural history and natural sciences to continue to contribute to the body of knowledge about nature's past, present and future.

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 (Brazil, Russia, India and China) countries, 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 Gross Domestic Product (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 Canada's 150<sup>th</sup> anniversary 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 an Arctic sculpture as an outdoor monument. Attendance on-site and off-site within the NCR is reaching a natural level as the city matures as a tourist destination. Once this natural attendance level is reached we must continue to develop products and services that engage existing audiences further to enhance earned revenues from a "new normal" attendance pool.

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 annual, major gift and legacy giving. Recent major gifts to other national museums are raising the bar for individual giving to charitable crown corporations such as the Canadian Museum of Nature.

### **3.2 Strategic Issues**

The gap in funds to operate the two facilities under the stewardship of the Museum is the most critical issue facing the Museum. This is the result of a decision in 1994 to transfer the custody of Museum land and buildings to the Museum from Public Works and Government Services Canada. Appropriation funding has not been indexed since the transfer to protect the Museum against the impact of inflation on key inputs such as utilities and property taxes. Finding ways to close the Museum's operating funding gap, thus ensuring the financial sustainability of the institution, will require the Museum to find new and larger sources of self-generated revenues for its programs and services, and to develop new approaches to working with collaborators.

The digital revolution is creating both challenges and opportunities for the museum sector as it seeks out ways to create meaningful and relevant use of digital technology. Although digital access to collections will never replace experiencing the "real thing", it does provide access to knowledge and experiences to those who cannot get to a physical visitor experience on-site or off-site through our travelling exhibitions program. Investments in talent, time and equipment will be necessary to advance a digital strategy that enhances the Museum's varied programs of research, collections care, collections access and for public engagement.

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 (total dependence on government appropriation for growth and new projects) to a business enterprise operating model (growing dependence on self-generated revenues and innovative approaches to cost containment). 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. Furthermore, summary of risks, initial risk level and residual risk level are outlined in the Risk and Risk response table. The table describes key risks and addresses the Corporation overall risk. Financial, Capacity and Proposal complexity risks in different domains were identified as medium or high but with mitigation strategies, the risk level was lowered with the overall risk being low. The risk mitigation step involves development of mitigation strategies designed to manage, eliminate, or reduce risk to an acceptable level. Once a strategy is implemented, it is continually monitored to assess its efficacy with the intent of revising the course-of-action if needed.

Summary of key risks and mitigation strategies are as follow:

1. Advancement - 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 a comprehensive advancement program that identifies, cultivates, solicits and stewards donors and prospects, led by a team of fundraising professionals and a new group of committed fundraising volunteers and board members.
2. Structural Deficit - Risk that the structural deficit will continue to increase due to expenses increasing at a greater rate than revenues, such as utilities, property taxes and general inflation. This is mitigated by a continuous process of expenditure review and earned revenue growth.
3. Information Technology - Risk that information technologies and systems are not available or leveraged to support organizational objectives. This is mitigated by new leadership and skills in Information Technology (IT) and an IT strategy that responds to and enables the strategic objectives of the Museum within the resources available.
4. Succession - Risk that a significant number of employees are eligible for retirement resulting in the loss of corporate memory and key skills. To mitigate this risk the Museum developed and applies a succession plan.
5. Budget 2016 - Risk that capital projects funded through budget 2016 and identified in this submission would not be completed on time and on budget to meet the required scope. This is mitigated by continuous monitoring of project activities, deliverables and spending.

## 4.0 Assessment of results for 2015 - 2016

In 2015-2016, the Museum advanced 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: In the spring of 2015 the Centre and its Director were promoted at the annual Arctic Science Summit Week in Toyoma, Japan, at the annual Arctic Cocktail evening at the VMMB, at the annual Open House at our Natural Heritage Campus in Gatineau and at our annual Research & Collections Ignite session. In addition the Centre was profiled at the annual meeting of Arctic Net in Vancouver and again at Arctic Science Summit Week in Fairbanks Alaska in March 2016. As a result, the Director of the Centre was invited to speak at these same events and conferences.

**Outcome #1:** Be a global museum leader in Arctic Knowledge and Exploration.

### Performance Measures:

Outcome	Measure	2014–2015 to 2018-2019 Performance Target Range	2015–2016 Performance Actual at 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 annually to 1 million annually</li> <li>▪ From \$100,000 annually to \$500,000 annually</li> <li>▪ From 50 annually to 200 annually</li> <li>▪ From 10 stories to 50 stories annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ 776,579</li> <li>▪ \$1,696,500</li> <li>▪ 114</li> <li>▪ 198</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: the Centre and its Director were introduced to the media, the general public and the scientific community during the run of *Animal Inside Out*, the Museum's summer blockbuster exhibit. The Director was interviewed across Canada and in the capital as a result of this profile. The Centre confirmed a presentation for the September 2016 IUCN World congress, participation in the 2017 Canada Bioblitz and holds a leadership role on the Board of the Global Biodiversity Information Facility (GBIF) based in Copenhagen.
- Unveil the Regions of Canada Gardens at the VMMB: the first phase of the gardens were completed in the fall of 2015 including plantings and the Iceberg Sculpture in the tundra section. The public unveiling will be held in spring 2016 along with associated public programming.
- Collection data shared increased dramatically due to a new system for reporting by the third party that tracks this.

**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 Range	2015–2016 Performance Actual at March 31
Be a national leader and global influencer in advancing and sharing knowledge about species discovery and change	▪ Number of publications	▪ From 40 annually to 60 annually	▪ 53
	▪ Number of new species described by the Museum	▪ From 10 to 20 species	▪ 34
	▪ Number of collaborators involved in the work the Museum does	▪ From 100 collaborators to 200 collaborators	▪ 171
	▪ Number of new experts being guided by us	▪ From 20 students/post docs to 30 students/post docs	▪ 35
	▪ Number of collections acquired	▪ From 10,000 lots to 50,000 lots	▪ 11,800
	▪ Amount of collections data shared digitally over the internet	▪ From 1 million to 5 million retrievals	▪ 70 million
	▪ Percentage of GBIF memberships funded	▪ From 10% from the Museum to 100% from collaborations	▪ in discussion with Government of Canada Departments

### 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: the first annual Nature Salon (now called natureTALKS) was postponed due to the fall 2015 election. The first event will be held in the winter of 2016 in partnership with the Economic Club of Canada targeting community and corporate leaders in Ottawa first and then other major cities 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 Range	2015–2016 Performance Actual at 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 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>▪ From 4,200 and 42% renewal to 5,000 and 60% renewal</li> <li>▪ From 20 events to 40 events</li> <li>▪ From 25 to 100 collaborations</li> <li>▪ From \$100,000 annually to \$500,000 annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ 1.4 million</li> <li>▪ 5,414 and 51% renewal</li> <li>▪ 73 events</li> <li>▪ 39 collaborators</li> <li>▪ \$672,300</li> </ul>

## Strategic Objective #4:

**Position the Natural Heritage Campus (NHC) 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 NHC 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: the decision to invest in a new collections data management system was confirmed and will be converted by 2017. The updated approach for tracking digital data downloads was applied in fiscal 2015/16 resulting in confirmed data downloads through GBIF of over 100 million plus an additional data retrievals through nature.ca-collections on line of over 4 million.

**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 Range	2015–2016 Performance Actual at 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 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 1% over plan timeframe</li> <li>▪ From 20 million downloads and retrievals to 30 million annually</li> <li>▪ From 700,000 digitized Canadian specimens to 1 million.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 40</li> <li>▪ 0.5%</li> <li>▪ 153 million</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: the Arctic and Species Discovery case for support were completed and used in the cultivation of new ambassadors for the Museum's future fundraising campaign. Cash and in-kind support will again surpass \$5 million this fiscal.
- Launch a program to develop the skills/competencies and human capacity needed to advance and maintain a sustainable museum enterprise: a new performance management program aligned with a comprehensive succession plan has resulted in new training, coaching and recruitment approaches resulting in greater confidence to do the work essential to success. The approach applies to individuals, teams and all staff depending on the skill or knowledge base needed.
- Continue to leverage the Council of CEO's with collaborative procurement, profile raising and exhibit planning coordination. The focus this year was on collaborative long term exhibit planning, national profile raising exhibits in Vancouver and Ottawa and continued work on a new museum passport for the capital region. The efforts have resulted in a new collaborative approach among senior marketing officers, senior financial officers and senior procurement officers.

**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 Range	2015–2016 Performance Actual at March 31
Be a national leader in sustainable museum enterprise operations within an international best practice context.	▪ Earned revenue as % of total budget	▪ From 17 to 20%	▪ 30%
	▪ Penetration of tourist market	▪ From 10% market penetration to 20% market penetration	▪ 15.4%
	▪ Advancement revenue as % of earned revenue	▪ From 15% to 20%	▪ 21%
	▪ Number of experience connections per FTE	▪ From 28,000 to 35,000 per FTE	▪ 22,254
	▪ Conversion of connections to stakeholders relationships	▪ From 16,000 members to 20,000 members	▪ 21,656
	▪ Number of media mentions	▪ From 5 mentions per day to 10 mentions per day	▪ 1,410
	▪ Align the performance management and succession plans to support the enterprise model and the skills and human resources needed.	▪ Roll out new performance management system – year one	▪ Launch new Performance Management Program – Done

		<ul style="list-style-type: none"><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>▪ Succession plan fully active</li></ul>
--	--	--	--

## 5.0 Objectives and Strategies for 2016 - 2017

In 2016-2017, the Museum will advance year three 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.

- Unveil the Arctic sculpture and associated programming
- Fund the final phases of the Arctic Gallery
- Host the first annual Arctic Science Symposium
- Launch the 2017 year of the Arctic at the Museum leading to the Arctic Gallery opening

**Outcome #1:** Be a global museum leader in Arctic Knowledge and Exploration.

### Performance Measures:

Outcome	Measure	2014–2015 to 2018-2019 Performance Target Range	2016–2017 Performance Target
Be a global museum leader in Arctic Knowledge and Exploration	▪ Number of participants in Arctic themed experiences: gallery, exhibit, program, digital	▪ From 250,000 annually to 1 million annually	▪ 500,000
	▪ Funds raised supporting Arctic research, collections and engagement programming	▪ From \$100,000 annually to \$500,000 annually	▪ \$400,000
	▪ Number of contacts with the Museum of Nature and its experts and collections for Arctic related content, expertise and collaboration	▪ From 50 annually to 200 annually	▪ 75
	▪ Awareness of the Museum's Arctic content and expertise as measured by media mentions, stories, etc.	▪ From 150 to 200 stories and mentions annually	▪ 175

## 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.

- Position the Museum’s leadership in species discovery at national and international conferences and events.
- Seek funding for essential scientific equipment
- Co-host a pavilion at the IUCN world congress
- Participate in a national bioblitz
- Host public “Science in Action” events at both Museum locations

**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 Range	2016–2017 Performance Target
Be a national leader and global influencer in advancing and sharing knowledge about species discovery and change	▪ Number of publications	▪ From 40 annually to 60 annually	▪ 50
	▪ Number of new species described by the Museum	▪ From 10 to 20 species	▪ 20
	▪ Number of collaborators involved in the work the Museum does	▪ From 200 to 400 collaborators	▪ 250
	▪ Number of new experts being guided by us	▪ From 20 to 30 students/post docs	▪ 25
	▪ Number of collections acquired	▪ From 10,000 to 50,000 lots	▪ 22,000
	▪ Amount of data shared digitally through nature.ca	▪ From 1 million to 5 million downloads and retrievals	▪ 4 million
	▪ Percentage of GBIF memberships funded	▪ From 10% from the Museum to 100% from collaborations	▪ 100%

### 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.

- Invest in new audience research to guide programming.
- Leverage new products and approaches created by the Centre for Nature inspiration and Engagement.
- Profile the Museum’s science at national natureTALKS events
- Pilot new technology that leverages collections knowledge for public engagement

**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 Range	2016–2017 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 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>▪ From 4,200 and 42% renewal to 5,000 and 60% renewal</li> <li>▪ From 20 to 30 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>▪ 2 million</li> <li>▪ 5000 and 55% renewal</li> <li>▪ 30 events</li> <li>▪ 75 collaborators</li> <li>▪ \$400,000 annually</li> </ul>

## Strategic Objective #4:

**Position the Natural Heritage Campus (NHC) 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 NHC as a globally excellent research, collections, administration and experience site that advances understanding and respect for nature.

- Advance 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.
- Advance the conversation of collections data management from MIMSY to K-EMU.
- Invest in digital data technology and student staffing to support digitization.

**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 Range	2016–2017 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 1% over plan timeframe</li> <li>▪ From 25 million downloads and retrievals to 100 million annually</li> <li>▪ From 700,000 digitized Canadian specimens to 1 million.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 35</li> <li>▪ 1%</li> <li>▪ 75 million</li> <li>▪ 810,000</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 collaborative national museums positioning campaign anchored by the Canada 150 celebrations.
- Launch phase 2 of the natureTRANSFORMS major gifts campaign
- Invest in corporate digital infrastructure that enables business processes and enhances the visitor experience.
- Continue to leverage the Council of CEO’s with collaborative procurement, profile raising and exhibit planning coordination.
- Seek out funding for PILT costs
- Seek out funding for essential deferred maintenance projects

**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 Range	2016–2017 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</li> <li>▪ Conversion of connections to stakeholders relationships</li> <li>▪ Number of media mentions and stories</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% market penetration to 20% market penetration</li> <li>▪ From 15% to 20%</li> <li>▪ From 28,000 to 35,000 per FTE</li> <li>▪ From 16,000 members to 20,000 members</li> <li>▪ From 500 mentions to 1200 mentions per year</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>▪ 31,000</li> <li>▪ 20,000</li> <li>▪ 1200</li> <li>▪ Fully integrated PMP and succession plan</li> </ul>

## 6.0 Five-Year Financial Plan

### 6.1 Overview

In 2016-2017, the Museum is proposing a total operating budget of \$34.3 million, compared to \$33.2 million approved in 2015-2016. 77 percent of the operating budget will come from parliamentary appropriations (79 percent in 2015-2016), while the remaining 23 percent will come from self-generated revenues (21 percent in 2015-2016).

The increase in appropriation is provided through Budget 2016 to increase ongoing reference levels to address the gap between established appropriations provided for PILT purposes and the actual PILT amount being paid and to address the backlog of health and safety and other recapitalization.

Consequently, the following amounts will be received by the Museum: \$3,312,000 in 2016-2017, \$6,386,000 in 2017-2018, \$4,594,000 in 2018-2019, \$2,484,000 in 2019-2020, \$314,000 in 2020-2021. Of these amounts, \$314,000 will be provided annually to the Museum on an ongoing basis, beginning in 2016-2017 for PILT purposes.

The outlook of \$34.3 million for the operating resources in 2015-2016 represents an increase of \$1.1 million or 3 percent from the amount approved as a result of a favorable variance in revenues from admission and program fees.

In 2016-2017, the Museum is proposing a capital budget of \$3.1 million, compared to the \$375 thousand approved in 2015-2016.

### 6.2 Planning Assumptions and Projections

#### 6.2.1 Parliamentary Appropriations

The budgets have been formulated on the basis of the operating environment and the program alignment architecture and services required in support of these programs. Table 1 summarizes the operating and capital budgets.

<b>TABLE 1: Summary of Operating and Capital Budgets</b>				
	<b>2014-2015</b>	<b>2015-2016</b>	<b>2015-2016</b>	<b>2016-2017</b>
<i>(in thousands of dollars)</i>	<b>Actual</b>	<b>Approved</b>	<b>Outlook</b>	<b>Proposed</b>
Capital Budget	2,417	375	1,000	3,098
Operating Budget	32,203	33,156	34,252	34,275
Variation in Deferred Appropriation - Capital	685	(375)	(375)	-
Variation in Accumulated Unrestricted Net Asset	-	-	(625)	(100)
Revenues	(9,028)	(7,027)	(8,123)	(7,832)
<b>Appropriation</b>	<b>26,277</b>	<b>26,129</b>	<b>26,129</b>	<b>29,441</b>

The Museum is proposing appropriations of \$29.4 million in 2016-2017, \$3.3 million higher than the amount approved in 2015-2016.

Budget 2016 provided funding to help Canada's national museums address immediate operational and capital pressures including the gap between established appropriations provided for PILT purposes and the actual amount of PILT being paid, and deferred recapitalization projects, primarily those related to immediate health and safety issues.



Through budget 2016, the Museum will be receiving \$3.3 million in 2016-2017. Of this amount \$314,000 million to address the gap between established appropriations provided for PILT purposes and the actual PILT amount being paid, and \$2,998,000 to address the backlog of health and safety and other recapitalization needs.

With the capital funding provided through Budget 2016 covering only health and safety and special consideration projects, the capital budget of \$100,000 will be funded through accumulated unrestricted net assets to address other capital projects.

## 6.2.2 Earned Revenues

Table 2 outlines the revenue forecast for the planning period.

TABLE 2: Revenue Forecast							
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<i>(in thousands of dollars)</i>	Actual	Outlook	Budget	Forecast	Forecast	Forecast	Forecast
Admission and program fees	4,010	4 524	4,373	4 000	4,768	4 984	5,189
Ancillary operations	1,533	1 638	1,576	1 626	1,679	1 734	1,792
Contributions	2,780	1 255	1,223	895	900	930	930
Interest income	109	90	62	84	115	140	165
Other	596	616	598	593	602	565	565
<b>Total revenues</b>	<b>9,028</b>	<b>8 123</b>	<b>7,832</b>	<b>7 198</b>	<b>8,064</b>	<b>8 353</b>	<b>8,641</b>

The revenue forecast for admission and program fees and other revenues in 2016–2017 and beyond are aggressive, and will be monitored closely by the Museum, given the challenging business environment.

In 2016-2017, the Museum is projecting total revenues of \$7.8 million, a decrease of \$0.3 million from \$8.1 million in 2015-2016. The decrease of \$0.3 million is mainly due to admission and program fees as surcharges related to major temporary exhibits are expected to decrease as the major temporary exhibit Ultimate Dinosaurs in 2016-2017 will be open for a three month period compared to four months for Animal Inside Out in 2015-2016.

## 6.2.3 Contributions

In 2016-2017 the Museum is anticipating that it will recognize a total of \$1.2 million in contributions. \$700,000 of that amount is expected to be utilized for the development of the Arctic gallery, the Museum's contribution to the Canada 150 Initiative. The remaining \$500,000 is mainly attributable to the annual giving and sponsorship programs.

## 6.3 2015–2016 Operating Budget

### 6.3.1 Operating Expenditures by Program (PAA)

<i>(in thousands of dollars - except for staff levels)</i>	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
	Actual	Outlook	Budget	Forecast	Forecast	Forecast	Forecast
<b>Staff Levels</b>	131	134	135	135	135	135	135
Inspiration and engagement	7,276	10,047	10,391	9,403	10,009	9,849	9,788
Collections care and access	2,945	2,080	2,274	2,297	2,319	2,342	2,365
Research and discovery	4,158	4,238	4,069	4,158	4,200	4,387	4,464
Internal support services	6,268	5,737	5,257	5,330	5,361	5,425	5,496
Buildings and grounds	14,658	12,150	12,284	12,453	12,618	12,793	12,971
<b>Sub-total</b>	<b>35 305</b>	<b>34 252</b>	<b>34 275</b>	<b>33 641</b>	<b>34 507</b>	<b>34 796</b>	<b>35 084</b>
Less: Revenues	(9 028)	(8 123)	(7 832)	(7 198)	(8 064)	(8 353)	(8 641)
<b>Appropriation</b>	<b>26 277</b>	<b>26 129</b>	<b>26 443</b>	<b>26 443</b>	<b>26 443</b>	<b>26 443</b>	<b>26 443</b>

**Note:** Table 4 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 4 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.

In 2016-2017, the Museum will operate with a total budget of \$34.3 million. 77 percent of the operating budget will come from parliamentary appropriations (79 percent in 2015-2016), while the remaining 23 percent will come from self-generated revenues (21 percent in 2015-2016).

The increases of \$ 314,000 in the proposed appropriations amounts in 2016-2017 through 2020-2021, compared to the amount approved in 2015-2016 are provided through Budget 2016 to address the gap between established appropriations provided for PILT purposes and the actual PILT amount being paid.

The budget for Inspiration and engagement in 2016-2017 includes the activities in support of education programs, 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 budget for Collections care and access in 2016-2017 will be \$194,000 higher than the outlook for 2015-2016 due to reallocations from the Research and discovery activity, hence maintaining the cost reduction measures implemented in 2012-2013 to deal with the gap in funds to operate the Museum's two facilities under its stewardship. 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 2016-2017 will be \$169 lower than the outlook for 2015-2016 due to reallocations to the Collections care and access activity. These funds will be used 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 2016-2017 will be \$794,000 lower than the outlook for 2015-2016 which includes \$600,000 in one-time expenditures to modernize the Museum's information technology infrastructure. These one-time expenditures were made possible by the significant increase in self-generated revenues. The budget for 2016-2017 is almost the same (\$7,000 lower) than the previous year's budget, hence maintaining the cost reduction measures implemented in 2012-2013 to deal with the gap in funds to operate the Museum's two facilities under its stewardship.

The budget for Buildings and grounds - Operating in 2016-2017 represents an increase of \$448,000 from the outlook for 2015-2016. The increase is due to the impact of inflation on building maintenance, utilities and property taxes, including PILT. The Museum will be receiving funding through Budget 2016 to cover PILT expenses for the amount of \$314,000 in order to narrow the gap in funds to operate the two facilities under its stewardship. This however does not offset the \$1 million in property taxes paid on the Gatineau site. 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.

### **6.3.2 Travel and Hospitality**

On July 16, 2015, the Museum was directed by the Governor in Council (GIC) to align its policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations. The directive also requires the Museum to report on the implementation of this directive in their next corporate plan.

To fulfill this reporting requirement, the Museum is hereby providing a high level overview of its strategy to align its policies, guidelines and practices to those of the Treasury Board.

In order to ensure compliance with the directive, the Museum is reviewing and revising its policies, guidelines and practices to align with Treasury Board instruments. The Museum expects to be fully compliant with Treasury Board instruments by April 1, 2016.

Since 2004, on a quarterly basis the Museum has been proactively disclosing on its website the travel and hospitality expenses of its President and CEO and Vice Presidents. In 2016-2017, the Museum will improve transparency and communication to the public by proactively disclosing on its website total travel and hospitality expenditures incurred by the Board of Trustees. Furthermore, the Museum will also proactively disclose its travel and hospitality policy on its website and disclose the total annual expenditures for each of travel, hospitality and conference fees for the Museum for the last fiscal year, through its website, including a brief description of the main variance from the previous year's actual

expenditures. The timing of this disclosure is to coincide with the tabling of the corporation's Annual Report.

Table 9 outlines the total annual expenditures for each of travel, hospitality, and conference fees over the last fiscal year, as well as an average of these expenditures over the previous three fiscal years. In addition the table outlines the forecasted expenditures for each of these categories over the planning period following the implementation of the directive. The Museum has seen significant reduction in travel and hospitality costs since 2009-2010 as demonstrated in Table 9. Museum employees will continue to consider efficient and effective cost saving measures when planning initiatives/projects/programs.

### Annual expenditures for travel, hospitality and conference fees

(in dollars)	2009-2010	Past 3 years	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
	Actual	Average	Outlook	Forecast	Forecast	Forecast	Forecast	Forecast
TRAVEL	459,120	306,890	363,967	367,607	371,283	374,996	378,746	382,533
HOSPITALITY	66,580	41,808	60,000	60,600	60,000	60,000	60,000	60,000
CONFERENCE AND EVENT	37,359	48,238	71,040	71,750	72,468	73,193	73,925	74,664

## 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.

(in thousands of dollars)	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
	Actual	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
<b>Assets</b>							
Current							
Cash and cash equivalents	7,440	10,967	7,262	7,581	6,895	6,181	3,257
Accounts receivable							
Trade	429	300	300	300	300	300	300
Government departments and agencies	201	500	500	500	500	500	500
Prepaid expenses	746	700	700	700	700	700	700
	8,816	12,467	8,762	9,081	8,395	7,681	4,757
Restricted cash, cash equivalents and receivables	855	1,000	500	500	500	500	500
Collections	1	1	1	1	1	1	1
Capital assets	194,210	189,136	184,265	181,286	176,194	168,777	159,415
	<b>203,882</b>	<b>202,604</b>	<b>193,528</b>	<b>190,868</b>	<b>185,090</b>	<b>176,959</b>	<b>164,673</b>
<b>Liabilities</b>							
Current							
Accounts payable and accrued liabilities							
Trade	2,038	1,000	1,000	1,000	1,000	1,000	1,000
Government departments and agencies	3	100	100	100	100	100	100
Current portion - obligation under capital lease	717	790	873	963	1,064	1,174	1,296
Deferred revenue, contributions and parliamentary appropriations	1,593	2,000	500	500	500	500	500
Employee future benefits	388	489	391	313	250	200	160
	4,739	4,379	2,864	2,876	2,914	2,974	3,056
Obligation under capital lease	27,636	26,836	25,963	25,000	23,936	22,762	21,466
Deferred contributions related to capital assets	177,224	177,027	170,929	169,652	165,178	158,289	147,195
Employee future benefits	3,075	1,955	1,564	1,251	1,001	801	641
	<b>212,674</b>	<b>210,197</b>	<b>201,320</b>	<b>198,779</b>	<b>193,029</b>	<b>184,826</b>	<b>172,358</b>
<b>Accumulated Deficit</b>							
Unrestricted	2,575	4,427	5,930	2,884	4,043	3,223	2,736
Restricted for endowment purposes	-	-	-	-	-	-	-
Investment in capital assets	(11,367)	(12,019)	(13,723)	(10,795)	(11,982)	(11,090)	(10,421)
	<b>(8,792)</b>	<b>(7,592)</b>	<b>(7,793)</b>	<b>(7,911)</b>	<b>(7,939)</b>	<b>(7,867)</b>	<b>(7,685)</b>
	<b>203,882</b>	<b>202,604</b>	<b>193,528</b>	<b>190,868</b>	<b>185,090</b>	<b>176,959</b>	<b>164,673</b>

#### Note:

The accumulated deficit in the forecast year and five-year year planning period in the Statement of Financial Position 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.

The financial statements are prepared on an accrual basis whereas, Table 4 and Table 1 are prepared on a cash basis and therefore, Deferred Parliamentary Appropriations are not reflected in both Tables.

<b>STATEMENT 2: Statement of Operations</b>							
<i>(in thousands of dollars)</i>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
	<b>Actual</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>
<b>Revenue</b>							
Admission and program fees	4,010	4,524	4,373	4,000	4,768	4,984	5,189
Ancillary operations	1,533	1,638	1,576	1,626	1,679	1,734	1,792
Contributions	2,780	1,255	1,223	895	900	930	930
Interest	109	90	62	84	115	140	165
Other	596	616	598	593	602	565	565
	<b>9,028</b>	<b>8,123</b>	<b>7,832</b>	<b>7,198</b>	<b>8,064</b>	<b>8,353</b>	<b>8,641</b>
<b>Expenses</b>							
Inspiration and engagement	7,676	10,047	10,391	9,403	10,009	9,849	9,788
Collections care and access	3,055	2,080	2,274	2,297	2,319	2,342	2,365
Research and discovery	4,204	4,238	4,069	4,158	4,200	4,387	4,464
Internal support services	6,421	5,737	5,257	5,330	5,361	5,425	5,496
Buildings and grounds	19,445	20,169	20,454	21,622	22,018	22,307	22,150
	<b>40,801</b>	<b>42,271</b>	<b>42,445</b>	<b>42,810</b>	<b>43,907</b>	<b>44,310</b>	<b>44,263</b>
<b>Net result of operations before government funding</b>	<b>(31,773)</b>	<b>(34,148)</b>	<b>(34,613)</b>	<b>(35,612)</b>	<b>(35,843)</b>	<b>(35,957)</b>	<b>(35,622)</b>
Parliamentary appropriation	33,422	<b>35,348</b>	34,412	35,494	35,815	36,029	35,804
<b>Net result of operations</b>	<b>1,649</b>	<b>1,200</b>	<b>(201)</b>	<b>(118)</b>	<b>(28)</b>	<b>72</b>	<b>182</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.

The financial statements are prepared on an accrual basis whereas, Table 4 and Table 1 are prepared on a cash basis and therefore, Deferred Parliamentary Appropriations are not reflected in both Tables.

**STATEMENT 3: Statement of Changes in Net Assets**

<i>(in thousands of dollars)</i>	Unrestricted	Endowment	Invested in capital assets	
Net assets, beginning of year	573	-	(11,014)	(10,441)
Net result of operations	1,649	-	-	1,649
Net change in investment in capital assets	353	-	(353)	-
<b>Net assets, end of year 2014-2015</b>	<b>2,575</b>	<b>-</b>	<b>(11,367)</b>	<b>(8,792)</b>
Net assets, beginning of year	2,575	-	(11,367)	(8,792)
Deficiency of revenue over expenses	1,200	-	-	1,200
Net change in investment in capital assets	652	-	(652)	-
<b>Net assets, end of year 2015-2016</b>	<b>4,427</b>	<b>-</b>	<b>(12,019)</b>	<b>(7,592)</b>
Net assets, beginning of year	4,427	-	(12,019)	(7,592)
Deficiency of revenue over expenses	(201)	-	-	(201)
Net change in investment in capital assets	1,704	-	(1,704)	-
<b>Net assets, end of year 2016-2017</b>	<b>5,930</b>	<b>-</b>	<b>(13,723)</b>	<b>(7,793)</b>
Net assets, beginning of year	5,930	-	(13,723)	(7,793)
Deficiency of revenue over expenses	(118)	-	-	(118)
Net change in investment in capital assets	(2,928)	-	2,928	-
<b>Net assets, end of year 2017-2018</b>	<b>2,884</b>	<b>-</b>	<b>(10,795)</b>	<b>(7,911)</b>
Net assets, beginning of year	2,884	-	(10,795)	(7,911)
Deficiency of revenue over expenses	(28)	-	-	(28)
Net change in investment in capital assets	1,187	-	(1,187)	-
<b>Net assets, end of year 2018-2019</b>	<b>4,043</b>	<b>-</b>	<b>(11,982)</b>	<b>(7,939)</b>
Net assets, beginning of year	4,043	-	(11,982)	(7,939)
Deficiency of revenue over expenses	72	-	-	72
Net change in investment in capital assets	(892)	-	892	-
<b>Net assets, end of year 2019-2020</b>	<b>3,223</b>	<b>-</b>	<b>(11,090)</b>	<b>(7,867)</b>
Net assets, beginning of year	3,223	-	(11,090)	(7,867)
Deficiency of revenue over expenses	182	-	-	182
Net change in investment in capital assets	(669)	-	669	-
<b>Net assets, end of year 2020-2021</b>	<b>2,736</b>	<b>-</b>	<b>(10,421)</b>	<b>(7,685)</b>

<b>STATEMENT 4: Statement of Cash Flows</b>							
	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>
<i>(in thousands of dollars)</i>	<b>Actual</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>	<b>Pro forma</b>
<b>Operating activities</b>							
Cash receipts - customers	6,475	8,281	6,270	7,114	7,949	8,213	8,188
Cash receipts - parliamentary appropriation for operating activities	26,327	26,129	26,443	26,443	26,443	26,443	26,443
Cash disbursements - suppliers and employees	(28,563)	(28,320)	(33,980)	(30,322)	(32,193)	(32,620)	(34,842)
Interest received	119	93	62	84	115	140	165
Interest paid	(2,851)	(2,784)	(2,710)	(2,627)	(2,537)	(2,326)	(2,204)
<b>Cash provided by operating activities</b>	<b>1,507</b>	<b>3,399</b>	<b>(3,915)</b>	<b>692</b>	<b>(223)</b>	<b>(150)</b>	<b>(2,250)</b>
<b>Capital activities</b>							
Appropriations used to purchase depreciable capital assets	-	2,670	3,098	6,072	4,280	2,170	-
Acquisition of capital assets	(2,417)	(2,670)	(3,098)	(6,072)	(4,280)	(2,170)	-
<b>Cash used in capital activities</b>	<b>(2,417)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing activities</b>							
Obligation under capital lease	(649)	(727)	(790)	(873)	(963)	(1,064)	(1,174)
Transfer of endowment	(305)	-	-	-	-	-	-
<b>Cash used in financing activities</b>	<b>(954)</b>	<b>(727)</b>	<b>(790)</b>	<b>(873)</b>	<b>(963)</b>	<b>(1,064)</b>	<b>(1,174)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(1,864)</b>	<b>2,672</b>	<b>(4,705)</b>	<b>(181)</b>	<b>(1,186)</b>	<b>(1,214)</b>	<b>(3,424)</b>
Cash and cash equivalents, beginning of year	7,888	7,440	10,967	7,262	7,581	6,895	6,181
Restricted cash, beginning of year	1,416	855	1,000	500	500	500	500
<b>Cash and cash equivalents, end of year</b>	<b>7,440</b>	<b>10,967</b>	<b>7,262</b>	<b>7,581</b>	<b>6,895</b>	<b>6,181</b>	<b>3,257</b>