



# SUMMARY OF THE CORPORATE PLAN

FOR THE 2017-2018 TO 2021-2022 PLANNING PERIOD  
OPERATING AND CAPITAL BUDGETS FOR 2017-2018

Exploring our Natural Future

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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 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 heightened 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.

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. 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. The commemoration of the 150<sup>th</sup> anniversary of confederation will present many opportunities to extend the reach and impact of our nature inspiration programs. The opening of the Canada Goose Arctic Gallery will demonstrate the Museum's expertise in Arctic knowledge and its role in Arctic exploration.

The 2016-2017 results demonstrate the ongoing impact of the strategic direction of the Museum launched in 2014. The Museum will achieve a balanced budget in 2016-2017 and we forecast a balanced budget for 2017-2018. 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 2017-2018 to 2021-2022 Corporate Plan that was approved by the Board of Trustees on February 16, 2017 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 2017-2018 the Museum will concentrate its efforts on the following priorities:**

- Arctic: Launch the Canada Goose Arctic Gallery and associated programs, exhibits and research.
- Species Discovery: Launch a profile raising campaign focused on lab research, scientific training, collections care and fieldwork.
- Nature Inspiration: Apply the learnings from foundational research conducted by the nature inspiration centre of excellence.
- Campus: Advance the collections digitization and access project with a focus on global access.
- Sustainable enterprise: develop a digital knowledge framework that outlines the sources and uses of data so that the museum can fully leverage the research, collections, audience, content and corporate data of the enterprise.

**In 2017-2018 the Museum will operate within the context of the following Strategic Issues and opportunities:**

The gap in funds to operate the two facilities under the stewardship of the Museum is the most critical issue facing the Museum. Since the 1994 transfer of custody of Museum land and buildings to the Museum from Public Works and Government Services Canada, appropriation funding has not been indexed 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 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.

## 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.

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 for excellence in arctic knowledge and species discovery and for 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 January 19, 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. Although the NNC members are the most active in fundraising, all members of the Board are expected to govern, to give and to galvanize support for 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 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 2016-2017.



## 3.0 Planning Environment

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Fiscal year 2017-2018 represents the fourth 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. 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

As we commemorate our 150<sup>th</sup> year as a nation, the eyes of the world are on Canada. Having been a model of stability through the global economic upheaval following the financial crisis of 2008, Canada is now an icon of democratic political stability in the aftermath of the European refugee crisis, Brexit, and the 2016 US election. It is now one of the few major advanced Western nations to continue to unequivocally champion the globalist international order established, developed, and expanded in the post-war era.

Given the globally interdependent nature of two of the major issues facing the world at this time: global warming; and vanishing biodiversity, Canada's authority for taking leadership in seeking solutions has perhaps never been greater. Claiming that authority demands playing a role, and on both these issues the Canadian Museum of Nature is well-placed to do so.

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 heightened 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.

Unless knowledge is applied to innovation for responsible stewardship of our environment, it is unlikely that global trends of population growth, economic growth, and fossil fuel reliance 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 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 key 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 14.6 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 14 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).

Significant private and public financial support of the Museum's research activities, announced in the 2016-2017 fiscal year and with a view to future support, has re-invigorated the museum's research role and ensures that it will retain currency within the context of national leadership and international endeavour.

### 3.1.2 Nature Inspiration and Engagement

Canada's 150<sup>th</sup> anniversary of Confederation is the focus of nationwide celebrations centred in the National Capital Region of Ottawa-Gatineau. To mark the occasion, the city has planned a year-long calendar of activities and attractions under the Ottawa 2017 program, of which the Canadian Museum of Nature is a partner. The museum is also a partner of the Federal Canada 150 initiative, a national effort that is programming commemorative activities nationwide and in the Capital. Not only will these celebrations build-on the already enhanced global brand of Canada as a nation, but they will also reposition the brand of Ottawa as a tourist destination within Canada for 2017 and for years to come.

All national museums and many federal institutions in Ottawa-Gatineau will be opening new attractions and/or renovating (e.g. Canadian Museum of History, National Gallery of Canada, Canada Science and Technology Museum, National Arts Centre) as part of the Canada 150 / Ottawa 2017 commemorations. Opening the Canada Goose Arctic Gallery as a new permanent gallery in June 2017, the Canadian Museum of Nature is no exception. The gallery promises to engage visitors with the Arctic, nearly 40% of Canada's landmass which few really know, and change their perspective of what the Arctic is and how it matters to them. Given the importance of the Arctic in the face of global warming, and the importance of Indigenous peoples in the context of reconciliation, the opening of the Canada Goose Arctic Gallery in this commemorative year is timely and relevant.

The Canada Goose Arctic Gallery will complement the museum's other permanent galleries and 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 reputation of its exploration and research, 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.

Nonetheless, 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. In keeping with this, the Canada Goose Arctic Gallery will feature amazing specimens, innovative presentation, interactive story-telling, and a multi-media experience created in partnership with the National Film Board of Canada.

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, as has been done with summer blockbusters such as Ultimate Dinosaurs and the millennials-focused Nature Nocturne social evenings. 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.

The calendar of special commemorative events in 2017 will encroach on the Museum's share of the local market in the coming year. At the same time, there will be a marked increase in the number of tourists coming to the city to take part in the commemorations. The Museum and the new Canada Goose Arctic Gallery will attract tourists, but as a permanent gallery it will be something that locals can and will visit later. On balance, the Museum projects attendance to remain flat over the summer (less locals and more tourists) and increase modestly later in the year as 2017 activities subside (locals catching up).

In the last three years attendance to the Museum has increased dramatically from about 380,000 to just over 480,000 per year. With high share of the local market, this growth has largely been supported by targeting an increase in share of tourists in the National Capital. Tourist share will reach, if it has not already, a natural limit. Static share will mean that future growth will rely on growth in the number of tourists visiting Ottawa as a destination rather than further growth in share.

Canada experienced extraordinarily strong growth in tourism in 2016. Destination Canada reported that the summer of 2016 had over 17% more international tourist arrivals than the year previous, and predict that similar growth next year will finally return Canada to the previous high for tourist arrivals which was achieved in 2002. This kind of growth seems on track for tourism to increase from 2% of GDP to 4% of GDP within the next 10–15 years, as forecast. Ottawa, as the focal point of 2017 celebrations, should certainly increase its share of tourism as a destination, and it is hoped that the legacy of 2017 on the Ottawa brand should sustain that share growth into future years. This in turn will drive attendance growth to the Museum.

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 National Capital Region (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. Taking leadership in strengthening national museums' amalgamated value proposition through messaging, branding, and accessibility is core to this. A new National Museums Passport was introduced in August 2016, with an offer that targets tourist visitors to the National Capital. Combined with promotion anchored on a National Museums value proposition, it is expected to be popular with tourists in 2017 and ongoing.

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. The Museum will look to build on the success of securing Canada Goose, a luxury brand, as title sponsor for the Canada Goose Arctic Gallery, and on the \$4 million philanthropic investment in research, collections care and digitization from the Ross Beaty Family.

### **3.2 Strategic Risks / Opportunities and Mitigation / Leveraging 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/opportunities and their related mitigation/leveraging strategies. The risk mitigation step involves development of mitigation strategies designed to manage, eliminate, or reduce risk to an acceptable level, ideally low. The opportunity leveraging step involves development of a plan to maximize the benefits of the opportunity for the organization taking into account the costs. 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/opportunities and mitigation/leveraging strategies are as follow:

1. Advancement – Opportunity that a growing donor pipeline may enhance financial resources available to support the investment required for initial implementation of the Museum’s strategic objectives. This is leveraged 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 Management & Technology – Opportunity that information technologies and information data systems are available and leveraged to support organizational objectives. This is supported by new leadership and skills in Information Technology (IT) and Information Management (IM) 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 monitors a succession plan that includes skills development.
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. Quarterly tracking internally will ensure the Museum fulfills its spending commitments.

## 4.0 Assessment of results for 2016-2017

In 2016-2017, the Museum advanced 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 led 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 focused on Canada's Arctic within a national and global context.

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

The arctic sculpture was unveiled in June with tours of the Landscapes of Canada Gardens. Budget 2016 provided essential funding for the final phases of the Arctic Gallery. The first Arctic Science Symposium was held January 28, 2017 launching a year of arctic programming.

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

### Performance Measures:

Outcome	Measure	2014–2015 to 2018–2019 Performance Target	2016–2017 Performance Target (Actuals)
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 150 to 200 stories and mentions annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ 500,000 (745,136)</li> <li>▪ \$400,000 (\$1,555,000)</li> <li>▪ 75 (140)</li> <li>▪ 175 (128)</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.

- 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

The Museum continues to be a magnet for research and data sharing collaboration across Canada and around the world. Partnerships with natural history museums, research institutes, universities and government agencies expanded our reach and impact. Budget 2016 provided funding for essential scientific equipment that is key to fulfilling our mandate and attracting scientific talent. The IUCN world conservation congress pavilion profiled the Museum’s role in nature inspiration, engagement and research with thousands of organizations and individuals. The annual open house at the research campus and the Science By Night open house at the downtown location welcomed thousands of individuals who normally would not have access to our scientists.

**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	2016–2017 Performance Target (actuals)
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 (67)
	▪ Number of new species described by the Museum	▪ From 10 to 20 species	▪ 20 (38)
	▪ Number of collaborators involved in the work the Museum does	▪ From 200 to 400 collaborators	▪ 250 (219)
	▪ Number of new experts being guided by us	▪ From 20 to 30 students/post docs	▪ 25 (30)
	▪ Number of collections acquired	▪ From 10,000 to 50,000 lots	▪ 22,000 (34,363)
	▪ Amount of data shared digitally through nature.ca	▪ From 1 million to 5 million downloads and retrievals	▪ 4 million (37 million)
	▪ Percentage of GBIF memberships funded	From 10% from the Museum to 100% from collaborations	▪ 100% (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 CMN science at national natureTALKS events
- Pilot new technology that leverages collections knowledge for public engagement

Foundational research completed and guiding future planning. NatureTASTES and natureSCENE attracting new adult audiences. Museum science profiled at ArcticNet, IUCN, GBIF and Beaty biodiversity museum. Prototype apps developed and tested in collaboration with partners.

**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	2016–2017 Performance Target (actuals)
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 (2.65 million)</li> <li>▪ 5,000 and 55% renewal (6,006 and 68%)</li> <li>▪ 30 events (94)</li> <li>▪ 75 collaborators (144)</li> <li>▪ \$400,000 (\$692,134)</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.

- 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.

Digitization of new specimens ongoing and digitization of backlog continues as funding allows. Canada’s membership in GBIF essential to maintaining museum knowledge presence in the global knowledge community. Collections system transformation on track and going live in 2017. Major gift will support digitization of arctic collection.

**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	2016–2017 Performance Target (actuals)
Be a global museum leader in natural heritage collections storage, study, preservation, digitization and dissemination	▪ Number of roles in national and international collections management and research bodies	▪ From 10 to 50	▪ 35 (98)
	▪ Growth of collections through new signature public and private sources gifted to the Canadian Museum of Nature	▪ Increase collection by 1% over plan timeframe	▪ 1% (1%)
	▪ Access to NHC on-site and digitally through the Museum and third party created experiences	▪ From 25 million downloads and retrievals to 100 million annually	▪ 75 million (134 million)
	▪ Position relative to Alliance of Natural History Museums of Canada collections for number of Canadian collections digitized	▪ From 700,000 digitized Canadian specimens to 1 million.	▪ 810,000 (812,285)



### 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 Payment in lieu of taxes (PILT) costs
- Seek out funding for essential deferred maintenance projects

National museums passport launched in summer 2016. Phase two of the campaign underway and on track to completion by end of strategic plan cycle in 2018. Budget 2016 investments funding the upgrades needed to corporate digital infrastructure. Council of Museum CEO’s collaborated on marketing, exhibit planning, co-creation of programming and Canada 150 promotion. Budget 2016 increased base funding for PILT, however no funding for Quebec property taxes. Budget 2016 will fund essential deferred capital maintenance projects with the exception of environmental collections controls systems and Finance/Human Resource management systems.

**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	2016–2017 Performance Target (actuals)
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> </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 1,200 mentions per year</li> </ul>	<ul style="list-style-type: none"> <li>▪ 20% (29%)</li> <li>▪ 12% (13%)</li> <li>▪ 17% (20%)</li> <li>▪ 31,000 (25,967)</li> <li>▪ 20,000 (24,024)</li> <li>▪ 1,200 (1,411)</li> </ul>

	<ul style="list-style-type: none"><li>▪ Align the performance management and succession plans to support the enterprise model with the skills and human resource practices needed.</li></ul>	<ul style="list-style-type: none"><li>▪ Combined and integrated approach – year three</li></ul>	<ul style="list-style-type: none"><li>▪ Fully integrated PMP, people development and succession plan</li></ul>
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## 5.0 Objectives and Strategies for 2017-2018

In 2017–2018, the Museum will advance year four 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 focused on Canada's Arctic within a national and global context.

- Open the Canada Goose Arctic Gallery supported by public programming
- Invest Budget 2016 funds in the completion of the Canada Goose Arctic Gallery
- Launch a ten year program of exhibits in the Northern Voices Gallery
- Invest in arctic collection digitization and digital imaging
- Continue to raise the profile of the 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	2017–2018 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 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 150 to 200 stories and mentions annually</li> </ul>	<ul style="list-style-type: none"> <li>▪ 500,000</li> <li>▪ \$400,000</li> <li>▪ 75</li> <li>▪ 175</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 a five year scientific training program
- Create an endowed Beaty Post Doctoral position in Species Discovery & Species at Risk
- Build the Museum’s presence in major digital knowledge portals

**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	2017–2018 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 10 million to 25 million downloads and retrievals	▪ 20 million
	▪ Percentage of GBIF membership 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.

- Launch a five year content rethink and refresh program: Galleries & Digital Programs
- Host a year-long program of events celebrating Canada 150 with an Arctic theme
- Plan a year-long program of events **celebrating** Women's Federal Electoral Franchise 2018
- Participate and support Canada C3, Canada Bioblitz and Ottawa 2017

**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	2017–2018 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>▪ 5,000 and 55% renewal</li> <li>▪ 30 events</li> <li>▪ 75 collaborators</li> <li>▪ \$500,000 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.

- Invest in a Cryogenic Collections Facility
- Invest Budget 2016 funds in scientific equipment essential to program integrity

**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	2017–2018 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> <li>▪ Attract in-kind support from research collaborators to fund field and lab research</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 25 million downloads and retrievals to 100 million annually</li> <li>▪ From 700,000 digitized Canadian specimens to 1 million.</li> <li>▪ From \$300,000 to \$500,000 per year</li> </ul>	<ul style="list-style-type: none"> <li>▪ 35</li> <li>▪ 2%</li> <li>▪ 80 million</li> <li>▪ 810,000</li> <li>▪ \$300,000</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.

- Update the Digital Knowledge Framework mapping all key data systems
- Invest in a new admissions data system and collections data system
- Invest Budget 2016 funds in urgent, essential and required capital 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	2017–2018 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>▪ Number of media mentions and stories</li> <li>▪ Align the performance management and succession plans to support the enterprise model with the skills and human resource practices needed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ From 17 to 25%</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 500 mentions to 1,200 mentions per year</li> <li>▪ Combined and integrated approach to human resource development and management</li> </ul>	<ul style="list-style-type: none"> <li>▪ 25%</li> <li>▪ 12%</li> <li>▪ 17%</li> <li>▪ 31,000</li> <li>▪ 1,200</li> <li>▪ Fully integrated PMP, health and wellness and succession plan</li> </ul>

## 6.0 Five-Year Financial Plan

### 6.1 Overview

In 2017-2018, the Museum is proposing a total operating budget of \$34.0 million, compared to \$34.2 million approved in 2016-2017. 78 percent of the operating budget will come from parliamentary appropriations (77 percent in 2016-2017), while the remaining 22 percent will come from self-generated revenues (23 percent in 2016-2017).

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 Museum received \$3,312,000 in 2016-2017 and will be receiving \$6,386,000 in 2017-2018, \$4,594,000 in 2018-2019, \$2,484,000 in 2019-2020 and \$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 \$35.3 million for operating resources in 2016-2017 represents an increase of \$1.2 million or 4 percent from the amount approved as a result of a favorable variance in revenues from admission and program fees.

In 2017-2018, the Museum is proposing a capital budget of \$6.1 million, compared to the \$3.1 million planned for 2016-2017.

### 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>2015-2016</b>	<b>2016-2017</b>	<b>2016-2017</b>	<b>2017-2018</b>
<i>(in thousands of dollars)</i>	<b>Actual</b>	<b>Approved</b>	<b>Outlook</b>	<b>Proposed</b>
Capital Budget	375	1,000	3,098	6,372
Operating Budget	33,156	34,252	35,336	33,951
Variation in Deferred Appropriation - Capital	(375)	(375)	-	-
Variation in Accumulated Unrestricted Net Asset	-	(625)	(100)	(300)
Revenues	(7,027)	(8,958)	(8,893)	(7,508)
<b>Appropriation</b>	<b>26,129</b>	<b>25,294</b>	<b>29,441</b>	<b>32,515</b>

The Museum is proposing appropriations of \$32.5 million in 2017-2018, \$3.1 million higher than the outlook for 2016-2017.

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 \$6.4 million in 2017-2018. Of this amount \$314,000 to address the gap between established appropriations provided for PILT purposes and the actual PILT amount being paid, and \$6,072,000 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 projects and partially funding the development of the Canada Goose Arctic Gallery as part of special consideration projects, an incremental capital budget of \$300,000 will be funded through accumulated unrestricted net assets to address additional capital requirements for the Canada Goose Arctic Gallery.

## 6.2.2 Earned Revenues

Table 2 outlines the revenue forecast for the planning period.

TABLE 2 : Revenue Forecast							
TRUE	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<i>(in thousands of dollars)</i>	Actual	Outlook	Budget	Forecast	Forecast	Forecast	Forecast
Admission and program fees	4 902	4,811	4,068	4,870	5,114	5,372	5,639
Ancillary operations	1 667	1,549	1,719	1,773	1,829	1,887	1,949
Contributions	1 649	1,170	1,070	1,120	1,160	1,200	1,240
Interest income	112	62	84	115	140	165	165
Other	628	1,301	567	598	607	608	746
<b>Total revenues</b>	<b>8 958</b>	<b>8,893</b>	<b>7,508</b>	<b>8,476</b>	<b>8,850</b>	<b>9,232</b>	<b>9,739</b>

The revenue forecast for admission and program fees and other revenues in 2017-2018 and beyond are aggressive, and will be monitored closely by the Museum, given the challenging business environment.

In 2017-2018, the Museum is projecting total revenues of \$7.5 million, a decrease of \$1.4 million from the outlook for 2016-2017. The decrease of \$1.4 million is mainly attributable to an increase of \$1.0 million to total revenues approved in 2016-2017 as a result of a favorable variance in revenues from admission and program fees and the anticipated decrease of \$0.4 million in 2017-2018 to admission and program fees as surcharges related to major temporary exhibits are expected to decrease. The Museum will not be having major temporary exhibitions in 2017-2018 as the prime focus of the Museum will be the design and development of the Canada Goose Arctic Gallery and support all of its associated programming. The Canada Goose Arctic Gallery is the Museum's contribution to the Canada 150 initiative.

## 6.2.3 Contributions

In 2017-2018 the Museum is anticipating that it will recognize a total of \$1.1 million in contributions mainly attributable to the annual giving and sponsorship programs.

## 6.3 2017-2018 Operating Budget

### 6.3.1 Operating Expenditures by Program (PAA)

<i>(in thousands of dollars - except for staff levels)</i>	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	Actual	Outlook	Budget	Forecast	Forecast	Forecast	Forecast
<b>Staff Levels</b>	134	135	135	135	135	135	135
Inspiration and engagement	9,139	10,823	9,255	9,716	9,796	9,918	9,989
Collections care and access	2,695	2,278	2,281	2,302	2,324	2,348	2,372
Research and discovery	3,989	4,354	4,406	4,661	4,553	4,506	4,503
Internal support services	4,494	5,135	5,066	5,066	5,134	5,166	5,238
Buildings and grounds	14,770	12,746	12,943	13,174	13,486	13,737	14,080
<b>Sub-total</b>	<b>35 087</b>	<b>35 336</b>	<b>33 951</b>	<b>34 919</b>	<b>35 293</b>	<b>35 675</b>	<b>36 182</b>
Less: Revenues	(8 958)	(8,893)	(7,508)	(8,476)	(8,850)	(9,232)	(9,739)
<b>Appropriation</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>	<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 that contribute to the fulfillment of the Museum's mandate, including governance, strategic planning and corporate services. Building and grounds includes the ongoing operations and maintenance of the Museum's two facilities.

In 2017-2018, the Museum will operate with a total budget of \$34 million. 78 percent of the operating budget will come from parliamentary appropriations (77 percent in 2016-2017), while the remaining 22 percent will come from self-generated revenues (23 percent in 2016-2017).

The increases of \$314,000 in the proposed appropriations amounts in 2016-2017 through 2021-2022, 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 2017-2018 includes the activities in support of education programs, guest services and the design and development of the Canada Goose Arctic Gallery and support all of its associated programming. The Canada Goose Arctic Gallery is the Museum's contribution to the Canada 150 initiative.

The gallery will be a destination of choice for those who want to connect with the north. Immersive, highly interactive and thought-provoking, the gallery will lead visitors on a journey of experience and discovery.

The Museum will also pilot a four-month surcharged live Butterfly House and associated programming in the Solarium, opening December 2017. The pilot will be evaluated for the potential investment in a permanent Butterfly House for the following year. 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 2017-2018 will be the same as the outlook for 2016-2017, 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 2017-2018 will be the same as the outlook for 2016-2017, 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. These funds will be used to support the Museum's increasing capacity to create and share knowledge through its *Museum Research Centres of Excellence*. *Museum Research Centres of Excellence* are themed scientific programs 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 2017-2018 will be the same as the outlook for 2016-2017, 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 continue to improve the effectiveness and efficiency of the Museum's operations as it relates to the modernization of the Museum's information technology infrastructure.

The budget for Buildings and grounds in 2017-2018 will be \$197,000 higher than the outlook for 2016-2017 which includes a \$500,000 increase compared to the approved amount in 2016-2017. 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 growth in PILT expenses in the amount of \$314,000. This will help narrow the gap in funds required to operate the two facilities under its stewardship. This however does not offset the \$1.0 million in property taxes paid on the Gatineau site. Buildings and grounds represents 38 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 reviewed and revised its policies, guidelines and practices to align with Treasury Board instruments. Effective February 1, 2017, the Museum is fully compliant with Treasury Board instruments.

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 2017-2018, the Museum will continue to 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. 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**

<b>TABLE 9: Travel ,Hospitality and Confrence and Events</b>								
<i>(in dollars)</i>	<b>2012-2013</b>	<b>Past 3 years</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>
	<b>Actual</b>	<b>Average</b>	<b>Outlook</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>TRAVEL</b>	275,691	349,473	367,607	371,283	374,996	378,746	382,533	386,358
<b>HOSPITALITY</b>	46,835	46,417	60,600	60,000	60,000	60,000	60,000	60,000
<b>CONFERENCE AND EVENT</b>	40,463	55,980	71,750	72,468	73,193	73,925	74,664	75,411

## 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.

<b>STATEMENT 1: Statement of Financial Position</b>							
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<i>(in thousands of dollars)</i>	Actual	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
<b>Assets</b>							
Current							
Cash and cash equivalents	8,444	8,498	8,817	8,131	7,417	6,722	5,904
Accounts receivable							
Trade	519	300	300	300	300	300	300
Government departments and agencies	527	500	500	500	500	500	500
Prepaid expenses	770	700	700	700	700	700	700
	10,260	9,998	10,317	9,631	8,917	8,222	7,404
Restricted cash, cash equivalents and receivables	775	500	500	500	500	500	500
Collections	1	1	1	1	1	1	1
Capital assets	189,136	184,265	181,168	176,076	168,659	159,327	150,251
	<b>200,172</b>	<b>194,764</b>	<b>191,986</b>	<b>186,208</b>	<b>178,077</b>	<b>168,050</b>	<b>158,156</b>
<b>Liabilities</b>							
Current							
Accounts payable and accrued liabilities							
Trade	2,573	1,000	1,000	1,000	1,000	1,000	1,000
Government departments and agencies	449	100	100	100	100	100	100
Current portion - obligation under capital lease	791	873	963	1,064	1,174	1,296	1,431
Deferred revenue, contributions and parliamentary appropriations	950	500	500	500	500	500	500
Employee future benefits	319	391	313	250	200	160	128
	5,082	2,864	2,876	2,914	2,974	3,056	3,159
Obligation under capital lease	26,845	25,963	25,000	23,936	22,762	21,466	20,035
Deferred contributions related to capital assets	173,154	172,462	171,067	166,593	159,704	150,869	142,127
Employee future benefits	2,980	1,564	1,251	1,001	801	641	513
	208,061	202,853	200,194	194,444	186,241	176,032	165,834
<b>Accumulated Deficit</b>							
Unrestricted	3,765	4,300	2,887	4,046	3,226	2,849	2,801
Restricted for endowment purposes	-	-	-	-	-	-	-
Investment in capital assets	(11,654)	(12,390)	(11,095)	(12,282)	(11,390)	(10,831)	(10,479)
	(7,889)	(8,090)	(8,208)	(8,236)	(8,164)	(7,982)	(7,678)
	<b>200,172</b>	<b>194,764</b>	<b>191,986</b>	<b>186,208</b>	<b>178,077</b>	<b>168,050</b>	<b>158,156</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.

STATEMENT 2: Statement of Operations							
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
<i>(in thousands of dollars)</i>	Actual	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma	Pro forma
<b>Revenue</b>							
Admission and program fees	4,902	4,811	4,068	4,870	5,114	5,372	5,639
Ancillary operations	1,667	1,549	1,719	1,773	1,829	1,887	1,949
Contributions	1,649	1,170	1,070	1,120	1,160	1,200	1,240
Interest	112	62	84	115	140	165	165
Other	628	1,301	567	598	607	608	746
	8,958	8,893	7,508	8,476	8,850	9,232	9,739
<b>Expenses</b>							
Inspiration and engagement	9,543	10,823	9,255	9,716	9,796	9,918	9,989
Collections care and access	2,806	2,278	2,281	2,302	2,324	2,348	2,372
Research and discovery	4,037	4,354	4,406	4,661	4,553	4,506	4,503
Internal support services	4,817	5,135	5,066	5,066	5,134	5,166	5,238
Buildings and grounds	17,823	20,916	22,112	22,574	23,001	22,917	22,822
	39,026	43,506	43,120	44,319	44,808	44,855	44,924
<b>Net result of operations before government funding</b>	<b>(30,068)</b>	<b>(34,613)</b>	<b>(35,612)</b>	<b>(35,843)</b>	<b>(35,958)</b>	<b>(35,623)</b>	<b>(35,185)</b>
Parliamentary appropriation	30,971	34,412	35,494	35,815	36,030	35,805	35,489
<b>Net result of operations</b>	<b>903</b>	<b>(201)</b>	<b>(118)</b>	<b>(28)</b>	<b>72</b>	<b>182</b>	<b>304</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	2,575	-	(11,367)	(8,792)
Deficiency of revenue over expenses	903	-	-	903
Net change in investment in capital assets	287	-	(287)	-
<b>Net assets, end of year 2015-2016</b>	<b>3,765</b>	<b>-</b>	<b>(11,654)</b>	<b>(7,889)</b>
Net assets, beginning of year	3,765	-	(11,654)	(7,889)
Deficiency of revenue over expenses	(201)	-	-	(201)
Net change in investment in capital assets	736	-	(736)	-
<b>Net assets, end of year 2016-2017</b>	<b>4,300</b>	<b>-</b>	<b>(12,390)</b>	<b>(8,090)</b>
Net assets, beginning of year	4,300	-	(12,390)	(8,090)
Deficiency of revenue over expenses	(118)	-	-	(118)
Net change in investment in capital assets	(1,295)	-	1,295	-
<b>Net assets, end of year 2017-2018</b>	<b>2,887</b>	<b>-</b>	<b>(11,095)</b>	<b>(8,208)</b>
Net assets, beginning of year	2,887	-	(11,095)	(8,208)
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>4,046</b>	<b>-</b>	<b>(12,282)</b>	<b>(8,236)</b>
Net assets, beginning of year	4,046	-	(12,282)	(8,236)
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>3,226</b>	<b>-</b>	<b>(11,390)</b>	<b>(8,164)</b>
Net assets, beginning of year	3,226	-	(11,390)	(8,164)
Deficiency of revenue over expenses	182	-	-	182
Net change in investment in capital assets	(559)	-	559	-
<b>Net assets, end of year 2020-2021</b>	<b>2,849</b>	<b>-</b>	<b>(10,831)</b>	<b>(7,982)</b>
Net assets, beginning of year	2,849	-	(10,831)	(7,982)
Deficiency of revenue over expenses	304	-	-	304
Net change in investment in capital assets	(352)	-	352	-
<b>Net assets, end of year 2021-2122</b>	<b>2,801</b>	<b>-</b>	<b>(10,479)</b>	<b>(7,678)</b>

<b>STATEMENT 4: Statement of Cash Flows</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>2021-2022</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	7,390	8,831	7,424	8,362	8,712	9,068	9,573
Cash receipts - parliamentary appropriation for operating activities	26,143	26,397	26,443	26,442	26,442	26,443	26,443
Cash disbursements - suppliers and employees	(27,362)	(32,501)	(30,632)	(32,605)	(33,008)	(33,371)	(34,000)
Interest received	111	62	84	115	140	165	166
Interest paid	(2,787)	(2,710)	(2,627)	(2,537)	(2,436)	(2,326)	(2,204)
<b>Cash provided by (used in) operating activities</b>	<b>3,495</b>	<b>79</b>	<b>692</b>	<b>(223)</b>	<b>(150)</b>	<b>(21)</b>	<b>(22)</b>
<b>Capital activities</b>							
Appropriations used to purchase depreciable capital assets	-	3,098	6,072	4,280	2,170	-	-
Acquisition of capital assets	(2,629)	(3,098)	(6,072)	(4,280)	(2,170)	-	-
<b>Cash used in capital activities</b>	<b>(2,629)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing activities</b>							
Obligation under capital lease	(717)	(800)	(873)	(963)	(1,064)	(1,174)	(1,296)
Transfer of endowment	-	-	-	-	-	-	-
<b>Cash used in financing activities</b>	<b>(717)</b>	<b>(800)</b>	<b>(873)</b>	<b>(963)</b>	<b>(1,064)</b>	<b>(1,174)</b>	<b>(1,296)</b>
<b>Decrease in cash and cash equivalents</b>	<b>149</b>	<b>(721)</b>	<b>(181)</b>	<b>(1,186)</b>	<b>(1,214)</b>	<b>(1,195)</b>	<b>(1,318)</b>
Cash and cash equivalents, beginning of year	7,440	8,444	8,498	8,817	8,131	7,417	6,722
Restricted cash, beginning of year	855	775	500	500	500	500	500
<b>Cash and cash equivalents, end of year</b>	<b>8,444</b>	<b>8,498</b>	<b>8,817</b>	<b>8,131</b>	<b>7,417</b>	<b>6,722</b>	<b>5,904</b>