

SUMMARY OF THE CORPORATE PLAN
2001-02 to 2005-06

CAPITAL AND OPERATING BUDGET
2001-02

Canadian Museum of Nature

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HONESTY AND INTEGRITY
RESPECT FOR PEOPLE AND NATURE
THE PURSUIT OF EXCELLENCE
CONTINUOUS LEARNING

CMN Corporate Values

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CORPORATE OVERVIEW

Infinite

CLUES TO PART OF OUR OWN NATURE

Enhancing life through a better understanding of nature

Mandate and Vision

The Canadian Museum of Nature (CMN) became a Crown corporation on July 1, 1990 under the *Museums Act*. It reports to Parliament through the Minister of Canadian Heritage. *The Museums Act* declares that the heritage of Canada and all its peoples is an important part of world heritage and must be preserved for present and future generations. It recognizes that museums play an essential role in preserving and promoting the heritage of Canada, and in fostering its sense of identity: museums are sources of inspiration, research, learning and entertainment available to everyone.

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

CMN's public policy purpose is to contribute to greater understanding, sharing and protection of Canadian natural heritage and identity through its superb collections, associated research and related exhibitions and programmes, and with its human resource of scientific, programming and administrative staff.

As a public institution created by the federal government for the benefit of Canadians, CMN's vision of its place in Canadian society is:

- ▶ To be a recognized national leader in the natural history and museum communities
- ▶ To be an educational institution with a presence across Canada
- ▶ To be a viable and efficient organization

Corporate Profile

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

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

The collections held and protected by CMN – over 10 million specimens – are the fruit of years of painstaking exploration, observation and gathering. They form the heart of the Museum and the basis for its contribution to Canada. They make it possible to analyze and address a variety of emerging challenges to the natural heritage of Canada. The scientific work of CMN covers an enormous spectrum – from examining the evolution of life on earth to undertaking polar research in order to predict the impact of environmental change.

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

CMN is governed by a Board of Trustees whose 11 members, from all regions of the country, are appointed by the Governor-in-Council. The Board delegates authority to the President for the management of the Museum and is accountable to Parliament through the Minister of Canadian Heritage.

The Museum has 161 full-time employees and outsources services where it is most cost-effective. It also benefits from the contribution of dedicated volunteers who assist in research, collections and educational programmes. The Canadian Museum of Nature is now consolidated in two buildings in the National Capital Region (NCR): the Victoria Memorial Museum Building (VMMB) for exhibitions and public education, and the Natural Heritage Building (NHB) in Aylmer for collections, research, public education and administration.

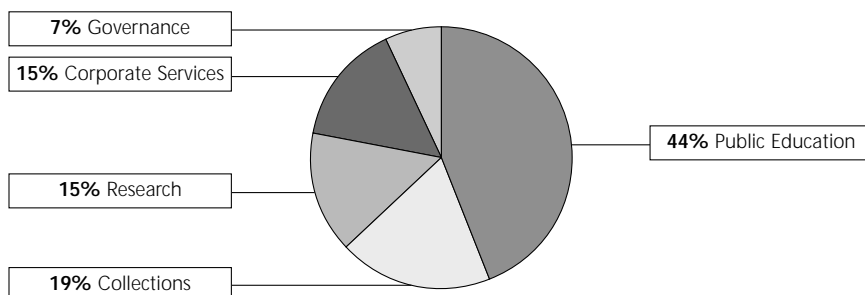


Discovering and understanding the natural world and learning how to live in balance with it.

Financial Resources

In 2001-02, CMN will operate within a total budget of \$27,175,000, of which 87 percent comes from federal government appropriation, while the remaining 13 percent is self-generated. Figure 1 shows how CMN's budget is allocated across its five programme activities (Fixed costs for facilities, security and information technologies are allocated to all activities on the basis of use.)

FIGURE 1: 2001-02 RESOURCES BY ACTIVITY



Research, Collections and Public Education are CMN's primary programmes with Corporate Services and Governance providing corporate direction and leadership.



SITUATION ANALYSIS

MILLIONS OF YEARS OF CANADA'S NATURAL

history

External Environment

EXTERNAL BUSINESS ENVIRONMENT

The local museum market is competitive, with four national museums competing for a limited visitor base. The Museum's assets are its focus on nature, the scientific foundation of its exhibitions and programmes, and its capacity to provide interactive experiences and real opportunities to experience specimens of plants, animals, minerals and fossils.

CUSTOMER EXPECTATIONS

A national Environics survey carried out earlier this year confirmed public interest in a range of science topics chosen for future projects, including human health and the environment, the biology of the human body and ocean life. Further planning for the Victoria Memorial Museum Building Renewal Programme will include assessment of current target audiences.

INTEREST IN THE ENVIRONMENT

The Environics survey revealed that a strong majority of Canadians are interested in environmental issues, think that nature issues affect the quality of their personal lives and believe that nature is inherently valuable. They rated the natural environment the second most important aspect of Canadian identity after social programmes. These findings present a strategic opportunity on which the Museum can build in developing the Renewal Programme and long-term fundraising plans.

GENERATING REVENUE

CMN is conducting a \$10 million Campaign in the private sector to support the Victoria Memorial Museum Building Renewal Programme, to establish a strong base for future fundraising and, ultimately, to reduce its reliance on government appropriations. Competition for exhibit sponsors is strong, in particular with other national museums. However, the Museum has established corporate and foundation relationships that should prove productive.

New partnership opportunities should also result from the emerging third "green wave" and Canadians' continuing interest in their natural world and concern with learning how to sustain the environment. With vital new education and information offerings created during implementation of the Renewal Programme, CMN will enable many generations of Canadians to increase their understanding and appreciation of our natural environment.

CMN ON-LINE

The Museum is supporting Government On-Line initiatives via its Web site nature.ca and is continuing to invest in digitizing its collection information. CMN is participating in the Virtual Museums of Canada project, and is making progress in digitizing the national natural science collection with 400,000 records now available electronically.

CANADIAN UNITY

The Museum, through its research, collections and public education programmes, helps protect Canada's heritage and explains to Canadians the past, present and future of the natural world in a modern and interactive way. By encouraging Canadians to view Canada from the perspective of nature – which transcends political boundaries – CMN makes a significant contribution to the national policy objective of fostering a shared commitment to our future in order to build a strong, cohesive and united Canada.

Internal Analysis

CORPORATE RESOURCES

- ▶ The employees and volunteers of CMN are our most important asset and the primary factor in our overall ability to implement strategic directions and realize the mandate.
- ▶ With initial funding from Treasury Board now secured, planning and design for the essential renovations and repairs to the infrastructure of the Victoria Memorial Museum Building are underway.
- ▶ CMN is Canada's national repository for natural history collections. The Museum houses approximately 10 million specimens that are used by scientists across Canada and around the world in systematics research, ecological research and environmental monitoring.
- ▶ Research at CMN focuses on socially relevant topics where the Museum's expertise in systematics – the comprehensive study of natural history of minerals, fossils, plants and animals – is applied by scientists and decision makers in the conservation of biodiversity and planning for wise use of resources.
- ▶ The public programming of CMN – with its modern communications approach using interactive exhibitions and products with a national focus – fosters nature literacy, science literacy and informed discussion about the environment among Canadians, particularly families with young children.
- ▶ Continuing and new collaborations with other institutions increase capacity for natural science research in Canada and contribute to ensuring the future of our natural heritage.



Digitizing the national natural science collection with 400,000 records now available electronically.

CHALLENGES

- ▶ The Museum must reconcile its eagerness to begin undertaking renovations with the need to balance annual operating budgets and to minimize disruption of public access to exhibitions while the work is underway.
- ▶ Limited access to electronic data still prevents using the collections and related information to their full potential for research (for CMN staff and others), for public education and for revenue generation. A proposal has been developed to increase electronic access to the collections, as part of the federal government commitment to make key services available electronically by 2004.
- ▶ The Consolidation Project in Aylmer, Quebec allowed the national collection to be housed in a state-of-the-art facility and, through an innovative private sector partnership, was accomplished without additional Crown funding. However, carrying this large asset on the CMN's books is proving to be an issue for the Capital Campaign in terms of financial statement presentation. To mitigate this problem, CMN has proposed that Public Works and Government Services Canada purchase the National Heritage Building. The high fixed costs of operating the building, when combined with operating costs at the Victoria Memorial Museum Building, represent 36 percent of CMN's annual revenue and significantly compromise funds available to deliver the mandated programming.

OBJECTIVES, STRATEGIES AND
PERFORMANCE MEASURES

Millions OF YEARS OF HIDDEN STORIES

Increase national service and impact

CMN will serve at home and abroad as a credible source of knowledge in the natural sciences and as an active member of the Museum community to further Canadians' understanding of the natural world and appreciation for our natural heritage.

STRATEGIES 2000-06

For 2000-06

- ▶ Acting as a focal point for Canadian understanding of the natural world and the value of systematics research and collections development
- ▶ Managing and increasing the accessibility of the national natural history collection
- ▶ Conducting collections-based research grounded in our recognized expertise in systematics, and sharing and communicating these research findings with scientists and all Canadians
- ▶ Playing an active role with partners in articulating national and international requirements and priorities of the scientific and museum communities
- ▶ Facilitating and contributing to national networks of scientific and museum expertise

New for 2001-02

- ▶ Conducting research in collection management and conservation, applying this knowledge to the care of the national collection and sharing it with other collection-holding institutions
- ▶ Completing a long-term collection development plan in consultation with other Canadian collections-holding institutions
- ▶ Developing the strategic plan for 2003-2008

PERFORMANCE MEASURES 2000-2006

Increase the number of staff presentations/representations at conferences, seminars and meetings to national audiences outside the National Capital Region to 105 by the end of 2005-06. Increase the number of transactions with respect to CMN's collections to 24,800 by 2005-06. Produce a minimum of 32 refereed publications by staff annually. Have 580,000 collection records (which equals 28 percent of total collection units that can be catalogued) accessible electronically by 2005-06, with an average of 28,000 additional records entered annually.

ACCOMPLISHMENTS *(April 1 - September 30, 2000)*

Below are some of the accomplishments under Objective 1 for the first half of the fiscal year 2000-01.

- Work continued on digitalizing the collection with over 10,000 Master Catalogue records created in the first half of this fiscal year.
- Approximately 17,000 records from Palynology and fossil pollen were contributed to Artifacts Canada and are now accessible on the Canadian Heritage Information Network Web site.
- CMN scientists conducted fieldwork in the Canadian Arctic (collecting over 1,500 specimens and 500 tissue samples for DNA work) and in the Queen Charlotte Islands (resulting in new information on shoreline lichens and discovery of new and rare lichens).
- In this third and final year of the Rideau River Biodiversity Project (RRBP), the CMN team is developing tools for the community's use in continued monitoring of the river, including a guide to biodiversity and several school kits.
- CMN participated in a number of national committees working on issues and policy development in biodiversity. Staff members also hosted and participated in various meetings related to collections and museums management.
- The Museum initiated the collaborative exhibitions working group to develop collaborative exhibitions among the major collections-holding institutions in the National Capital Region.
- Staff organized presentations of the Natural History Collections and Research Special Interest Group (SIG). CMN hosted a meeting of the Directors of Development in Canadian Museums in Ottawa at which participants exchanged information and discussed issues and challenges related to sponsorships and partnerships.
- Research staff attended conferences and other scientific symposia in their areas of expertise. They initiated a new Web site for research on the Flora of the Canadian Arctic Archipelago at the Memorial University of Newfoundland.

ACHIEVEMENTS AGAINST PERFORMANCE MEASURES

(April 1 - September 30, 2000)

Staff made 50 presentations/representations at conferences, seminars and meetings to national audiences outside the National Capital Region. Staff had 22 refereed publications among 17 researchers, on target to achieve the goal of an average of two per year per scientist.

Better demonstrate the value of the work done by CMN

CMN will actively share and communicate the nature and results of work done by the institution to make this significant work visible locally and nationally. The Museum will seek broad community participation in activities and programmes to support the renewal of the Victoria Memorial Museum Building. Electronic media such as television broadcasts and the Museum's dynamic Web site will serve to stimulate public attention, interest in, support for and enjoyment of the Museum across Canada.

STRATEGIES 2000-06

- ▶ Offering a rich calendar of exhibitions, educational programmes and community events
- ▶ Communicating the breadth of the Museum's activities with the intent of enabling broad community participation in the Museum
- ▶ Developing innovative applications of our knowledge of natural science and museology to issues of interest and concern to Canadians
- ▶ Sharing and communicating the Museum's knowledge and expertise

PERFORMANCE MEASURES 2000-2006

Maintain a stable attendance level, taking into account the impact of the Victoria Memorial Museum Building construction and renovation on visitors. Increase the number of unique Web site visits to 3 million by 2005-06. Maintain current number of staff presentations to external audiences annually (295 in 1999-2000). Strive to reach and maintain a visitor satisfaction level of 5 (very satisfied). Exceed the level of 50 percent of unaided awareness for CMN in the National Capital Region by the end of 2005-06.

ACCOMPLISHMENTS *(April 1 - September 30, 2000)*

Below are some of the accomplishments under Objective 2 for the first half of the fiscal year 2000-01.

- Roberta Bondar's *Passionate Vision* exhibition was supported by a major national sponsorship (Investors Group) and various partnerships (Parks Canada, Canadian Geographic, Canadian Parks Partnership). The response from visitors was extremely positive. Interpretive programming over the summer featured Canada's national, provincial and municipal park systems to complement the exhibit.
- The *Animal Athletes* exhibition opened in September in collaboration with the Canadian Olympic Association; programming featured some of nature's athletic champions.
- On-going interpretive activities included: the *Exploration Station*, the *Trading Post*, the *Nest* and a new programme for younger children – *All Aboard the Nature Train*.
- A new High-Definition Cinema programme was developed with a March launch date.
- Promotional ads were produced for electronic and print media to promote the major exhibitions and educational activities at the Museum. Public relations activity in electronic and print media resulted in excellent coverage for various interpretive and research activities such as the Museum's on-going Arctic research, the *Animal Athletes* and *Passionate Vision* exhibitions, and the Canada-Mexico Student Exchange programme.
- Programme and project development continued on the themes of oceans, fossils, biodiversity and the nature of humans. Planning of the Fossil Gallery continued with the production of the first fleshed-out dinosaur mounts.
- The Community Outreach Programmes included a summer City Parks programme and a Fall Rhapsody programme in collaboration with the National Capital Commission in Gatineau Park.
- Community-based exhibitions allowed CMN to increase on-site activity and offerings on a shared-cost basis and encouraged community partnerships with local and regional groups. Museum school programmes engaged 49,000 children in nature subjects.
- The fully redesigned Web site was launched successfully in May, and by September 30 there were over 800,000 unique visits to **nature.ca**.
- CMN travelling exhibitions toured across Canada throughout the year, with the *Monarca* exhibition tour extended to include bookings in the United States.
- Work continued on several trade and scholarly book publishing ventures.
- The Web team collaborated with several other Canadian museums in developing the first Natural History (Dinosaurs) component of the Virtual Museum of Canada for a February 2001 launch.



Roberta Bondar's Passionate Vision exhibition, produced by the CMN, featured Canada's national parks.

ACHIEVEMENTS AGAINST PERFORMANCE MEASURES
(April 1 - September 30, 2000)

Figure 2: Audience Reach

(number of visitors)

	99-00 Actual	00-01 Planned	00-01 Actual (00/09/30)
VMMB visitors	290,467	280,000	160,997
VMMB after hours	31,759	35,000	13,308
NCR outreach attendance	24,989	22,000	11,919
NHB visitors	1,181	1,750	656
National attendance	494,000	427,000	512,000
Web unique site visits	1,312,428	1,000,000	811,269
Multimedia (TV)	4,815,000	3,500,000	833,250

OBJECTIVE 3

Put in place, maintain and improve an effective and efficient infrastructure of systems and facilities

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

STRATEGIES 2000-06

- ▶ Maintaining and upgrading physical facilities
- ▶ Providing tools to improve internal efficiency and cost effective management of CMN operations
- ▶ Providing a supportive working environment with opportunities for innovation and growth
- ▶ Conducting timely evaluation processes for all Museum activities

PERFORMANCE MEASURES 2000-06

Offer four days of professional development annually per employee. Increase and maintain the percentage of the salary budget expended on professional development (training) to 2 percent. Maintain cost per user at \$10.45



The design and planning phase of the Victoria Memorial Museum Building Renewal Programme is underway.

ACCOMPLISHMENTS *(April 1 - September 30, 2000)*

Below are some of the accomplishments under Objective 3 for the first half of the fiscal year 2000-01.

- The design and planning phase of the Victoria Memorial Museum Building Renewal Programme continued.
- Technical and Audio-Visual Services installed the final phase of the Dolby sound system, successfully concluding the audio upgrade of the Auditorium.
- A database application to manage the Museum's extensive collection of photographs and images was developed.
- Phase one of a corporate-wide survey of records was completed and is currently being reviewed to identify and rectify gaps. The survey is a key step in the development of a new records classification system to better manage and preserve the Museum's corporate records.
- CMN submitted 22 applications to receive interns through the Federal Youth Internship Programme.
- The Performance Management System task group considered strategic leadership development for all employees in supervisory or leadership roles at the CMN.
- To thank its volunteers, the Museum organized several special events during National Volunteer Week.
- Data on attendance and revenue were compiled and analyzed on a regular basis.
- A survey was sent to CMN's members as part of the development and fundraising program.
- The Visitor Experience Plan was developed to guide planning for the renewal of the Victoria Memorial Museum Building.

ACHIEVEMENTS AGAINST PERFORMANCE MEASURES
(April 1 - September 30, 2000)

Professional development activities averaged 1.8 days per employee, with 1.2 percent of the salary budget expended on professional development and training.

4 OBJECTIVE

Increase self-generated revenue

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

STRATEGIES 2000-06

- ▶ Conducting a Capital Campaign to support the renewal of the Victoria Memorial Museum Building
- ▶ Continuing to seek alternative sources of funding
- ▶ Maximizing current sources of revenues
- ▶ Increasing the level of revenue generated by fundraising and sponsorship

PERFORMANCE MEASURES 2000-06

Achieve targets for revenue generating activities, fundraising and per visitor gross sales income.



CMN led its first Costa Rica Eco-Tour in Spring 2000.

ACCOMPLISHMENTS *(April 1 - September 30, 2000)*

Below are some of the accomplishments under Objective 4 for the first half of the fiscal year 2000-01.

- Results of a public opinion survey conducted by Environics to test interest in natural heritage, environmental issues in general and the Campaign case were largely consistent with the national feasibility study conducted by Development and Fundraising services in 1998 and validated the projects selected for the Renewal Programme.
- A Ventures Team was created to investigate the potential of new revenue-generating projects, and Eco-Tourism products were tested.
- Admissions revenues grew in the first half of the fiscal year, as did parking revenues. The year’s rental sales target is assured, with bookings at 95 percent capacity.
- In-kind support for the *Animal Athletes* exhibition was received from a number of sponsors to complement the exhibition and the opening.
- CMN became part of the steering committee of the “Leave a Legacy” program, a community effort to encourage individuals to leave a bequest for their favourite charity or cause in their wills.

ACHIEVEMENTS AGAINST PERFORMANCE MEASURES
(April 1 - September 30, 2000)

Figure 3: Self-Generated Revenue Targets

(in dollars)

	99-00 Actual	00-01 Forecast	00-01 Actual (00/09/30)
Revenue-Generating Activities	1,571,000	1,562,000	916,000
Fundraising	292,000	723,000	167,000



FINANCIAL PLANS

COUNTLESS MILLENNIA WORTH OF

research

Financial Summary

FIVE-YEAR FINANCIAL PLAN

The Financial Plan represents the Corporation's forecast over the five-year planning period 2001-02 to 2005-06. Table 1 shows the forecast by activity based upon approved reference levels and revenue forecasts for the current year and the planning period.

NOTE: Table 1 is a budget summary that is prepared on a cash basis and therefore cannot be compared directly to the audited financial statements for 1999-00.

Table 1: Corporate Budget Summary by Activity

(in thousands of dollars – except for staff levels)

	99-00 Actual	00-01 Forecast	01-02 Budget	02-03 Budget	03-04 Budget	04-05 Budget	05-06 Budget
Staff Levels	154	161	164	164	164	164	164
Research	3,998	4,010	3,946	3,955	4,016	4,053	4,047
Collections	5,175	5,188	5,088	5,118	5,196	5,245	5,236
Public Education	8,468	9,490	12,148	13,579	20,708	21,787	19,763
Corporate Services	3,998	4,009	4,036	3,954	4,015	4,053	4,046
Governance	1,882	1,887	1,957	1,861	1,890	1,907	1,904
Sub-total	23,521	24,584	27,175	28,467	35,825	37,045	34,996
Less revenues	(1,863)	(2,285)	(3,484)	(3,776)	(3,757)	(3,760)	(2,711)
Appropriations	21,658	22,299	23,691	24,691	32,068	33,285	32,285

Annual Budget

2001-02 OPERATING AND CAPITAL BUDGET

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

Table 2: Summary of Operating and Capital Budget

(in thousands of dollars)

	99-00 Actual	00-01 Approved	00-01 Forecast	01-02 Proposed
Operating	23,347	23,488	24,084	26,675
Capital	174	500	500	500
Less revenues	(1,863)	(2,863)	(2,285)	(3,484)
Appropriations	21,658	21,125	22,299	23,691

The increase in appropriations from the 2000-01 approved to the 2000-01 forecast is mainly due to the approval of the infrastructure funding (\$1 million for 2000-01 and \$2 million for 2001-02) for the Victoria Memorial Museum Building renovation project.

Financial Statements

The financial statements forecasts have been prepared in accordance with Generally Accepted Accounting Principles consistent with those reported in the institution's annual report.

Statement 1 : Balance Sheet

(in thousands of dollars)

	1999-00 Actual	2000-01 Forecast	2001-02 Pro-Forma	2002-03 Pro-Forma	2003-04 Pro-Forma	2004-05 Pro-Forma	2005-06 Pro-Forma
Assets							
Current							
Cash and short-term investments	4,770	3,268	3,350	3,608	4,081	4,386	4,693
Accounts receivable							
Trade	401	350	350	350	350	350	350
Government departments and agencies	919	700	700	700	700	700	700
Inventories	14	-	-	-	-	-	-
Prepaid expenses	975	500	500	500	500	500	500
	7,079	4,818	4,900	5,158	5,631	5,936	6,243
Restricted cash and short-term investments	629	747	737	727	717	697	677
Collections	1	1	1	1	1	1	1
Capital assets	35,813	34,780	33,787	32,763	31,674	30,524	29,399
	43,522	40,346	39,425	38,649	38,023	37,158	36,320
Liabilities							
Current							
Accounts payable and accrued liabilities							
Trade	2,080	1,500	1,600	1,500	1,500	1,500	1,500
Government departments and agencies	676	700	732	800	970	970	970
Current portion - obligation under capital lease	163	179	198	219	241	267	294
Current portion - loan from the Government of Canada	347	362	377	-	-	-	-
Deferred revenue and parliamentary appropriation	427	120	130	140	150	150	150
Provision for termination benefits	131	150	140	130	130	130	130
	3,824	3,011	3,177	2,789	2,991	3,017	3,044
Obligation under capital lease	33,520	33,341	33,143	32,923	32,683	32,415	32,121
Loan - Government of Canada	738	377	-	-	-	-	-
Deferred capital funding	3,947	3,921	3,927	3,911	3,846	3,679	3,605
Provision for termination benefits	892	910	928	947	966	985	1,005
Deferred contributions	379	347	327	307	287	267	247
	43,300	41,907	41,502	40,877	40,773	40,363	40,022
Endowment	250	280	280	280	280	280	280
Equity of Canada	(28)	(1,841)	(2,357)	(2,508)	(3,030)	(3,485)	(3,982)
	43,522	40,346	39,425	38,649	38,023	37,158	36,320

Statement 2: Statement of Operations & Equity of Canada

(in thousands of dollars)

	1999-00 Actual	2000-01 Forecast	2001-02 Pro-Forma	2002-03 Pro-Forma	2003-04 Pro-Forma	2004-05 Pro-Forma	2005-06 Pro-Forma
Revenue							
Commercial operations	990	964	989	1,003	1,083	1,087	1,043
Contributions	292	773	1,869	2,367	2,267	2,267	1,257
Educational programmes	154	162	354	165	166	165	170
Scientific services	58	60	41	10	10	10	10
Interest income	344	325	230	230	230	230	230
Other	25	1	1	1	1	1	1
	1,863	2,285	3,484	3,776	3,757	3,760	2,711
Expenses							
Personnel costs	9,411	10,988	10,880	11,098	11,320	11,546	11,777
Severance costs	186	50	50	50	50	50	50
Interest on capital lease obligation	3,398	3,368	3,336	3,300	3,281	3,259	3,233
Operation and maintenance of buildings	2,644	2,426	2,250	2,200	2,133	2,090	2,090
Professional and special services	2,061	1,649	1,379	1,017	1,277	1,133	1,133
Depreciation of capital assets	1,590	1,533	1,493	1,525	1,589	1,650	1,625
Victoria Memorial Museum Building interior renovations (note 1)	-	1,400	2,000	3,000	10,000	11,000	11,000
Real property leases and taxes	800	1,290	1,818	1,818	1,818	1,818	1,818
Exhibitions	546	1,313	2,217	2,365	2,305	2,482	1,202
Information management infrastructure and systems	1,225	1,194	1,000	1,000	1,000	1,000	1,000
Marketing and communications	549	765	600	600	600	600	600
Material and equipment	549	575	550	550	550	550	550
Travel	331	379	300	300	300	300	300
Freight and cartage	74	102	90	90	90	90	90
Repairs and maintenance	92	120	85	85	85	85	85
Acquisitions of objects for collections	4	1	4	4	4	4	4
Other	18	18	10	10	10	10	10
	23,478	27,171	28,062	29,012	36,412	37,667	36,567
Net result of operations before government funding	(21,615)	(24,886)	(24,578)	(25,236)	(32,655)	(33,907)	(33,856)
Parliamentary appropriation for operating expenditures	21,772	22,576	23,568	24,568	31,568	32,785	32,785
Amortization of deferred capital funding	588	497	494	517	565	667	574
Net result of operations	745	(1,813)	(516)	(151)	(522)	(455)	(497)
Equity of Canada, beginning of year	(773)	(28)	(1,841)	(2,357)	(2,508)	(3,030)	(3,485)
Equity of Canada, end of year	(28)	(1,841)	(2,357)	(2,508)	(3,030)	(3,485)	(3,982)

Note 1:

The funding for 2005-06 is subject to Program Integrity II.

Note 2:

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

Note 3:

The high cost of facilities and operations significantly restrict the Museum's ability for national programs and compromises the Museum's ability to implement appropriate physical life cycle management for the new building and systems.

Statement 3: Cash Flow Statement

(in thousands of dollars)

	1999-00 Actual	2000-01 Forecast	2001-02 Pro-Forma	2002-03 Pro-Forma	2003-04 Pro-Forma	2004-05 Pro-Forma	2005-06 Pro-Forma
Operating Activities							
Net result of operations	745	(1,813)	(516)	(151)	(522)	(455)	(497)
Items not involving cash:							
Depreciation of capital assets	1,590	1,533	1,493	1,525	1,589	1,650	1,625
Employee termination benefits	155	37	8	9	19	19	20
Amortization of deferred capital funding	(588)	(497)	(494)	(517)	(565)	(667)	(574)
Decrease in deferred contributions	(8)	(32)	(20)	(20)	(20)	(20)	(20)
Net change in non-cash working capital	(538)	(104)	142	(22)	180	-	-
	1,356	(876)	613	824	681	527	554
Financing Activities							
Repayment of loan from Government of Canada	(333)	(345)	(362)	(377)	-	-	-
Appropriation used to purchase depreciable capital assets	364	500	500	500	500	500	500
Obligation under capital lease	(147)	(163)	(179)	(199)	(218)	(242)	(267)
	(116)	(8)	(41)	(76)	282	258	233
Investing Activities							
Acquisition of capital assets	(174)	(500)	(500)	(500)	(500)	(500)	(500)
Decrease (increase) in restricted cash and short-term investments	8	(118)	10	10	10	20	20
	(166)	(618)	(490)	(490)	(490)	(480)	(480)
Increase (decrease) in cash and short-term deposits	1,074	(1,502)	82	258	473	305	307
Cash and short-term deposits, beginning of year	3,696	4,770	3,268	3,350	3,608	4,081	4,386
Cash and short-term deposits, end of year	4,770	3,268	3,350	3,608	4,081	4,386	4,693