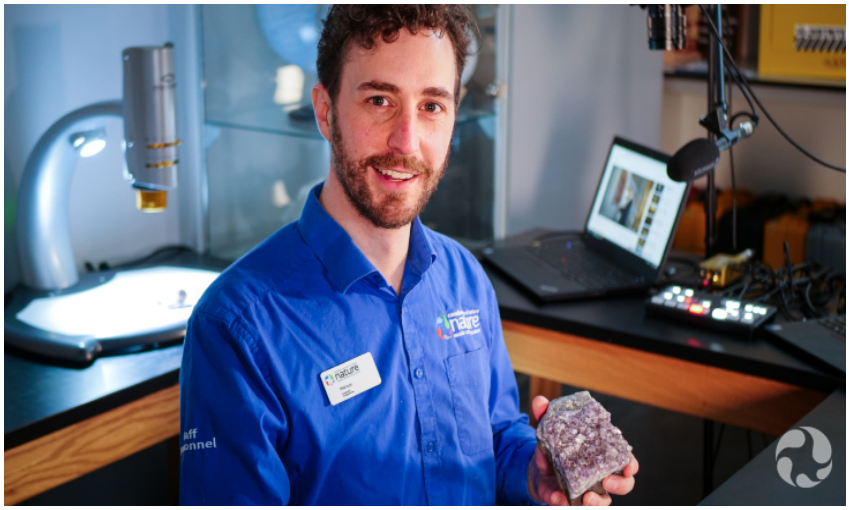

CORPORATE PLAN SUMMARY

for the 2021-22 to 2025-26 planning period and 2021-22 Operating and Capital Budgets

canadian museum of nature
musée canadien de la nature

Canada

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1.0 Executive Summary

Statement on Effects of COVID-19 Pandemic

This Summary was drafted in the fall of 2020 during the second wave of COVID-19 and updated in the spring of 2021 in the midst of the third wave. As this health crisis evolves, so too does our understanding of its impact on our organization. Many elements of this Summary will need to be re-thought in the months and years ahead to accurately reflect our plans to deliver on our mandate while keeping visitors safe. In the meantime, we have highlighted anticipated COVID-19 impacts on our organization, including measures we have taken to reduce our operating costs and any investments received from the Government of Canada towards ensuring the continuity of our operations. **With regard to investments from the Government of Canada, the Museum was notified it would receive $8 million in emergency funding as part of Budget 2021. This funding will help the Museum address the revenue shortfalls in 2021-22 and will help the Museum plan for future revenue shortfalls in the coming years as the attendance levels gradually come back to pre-pandemic levels.**

Management summary

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.

The Museum's mandate to increase, nationally and internationally, interest in, appreciation of, understanding and respect for our natural world fits within a national natural history museum's mandate to create a better future for Canada by inspiring understanding and respect for nature. The Museum's mandate also feeds into a global natural history and nature conservation mission to save the world for future generations with **evidence, knowledge and inspiration**.

The Canadian Museum of Nature is a leading research enterprise 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. 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 based on the **evidence of nature** collected over time.

A theme for the 2021-22 to 2025-26 planning period is pivot with the times. It means the Museum must adjust its approach to advancing our still relevant strategic objectives. This theme will enable the Museum to profile the value and impact of its collections, scientific research and public engagement programs.

In 2021-22, the Museum will make strategic investments in its global presence at the rescheduled International Union for the Conservation of Nature World Conservation Congress, in scientific talent by mentoring students in person and virtually, in new natural sciences content by showcasing the Mont-Saint-Hilaire mineral collection, in the Museum's presence nationally by travelling the new exhibit Planet Ice and in refreshed visitor experiences by investing in the COVID-19 safe visitor flow and ancillary services.

In 2021-22, the impact of the COVID-19 global pandemic on the financial stability of the museum enterprise is the most critical operational issue facing the Museum. The impact of COVID-19 on Museum operations will require adjustments to the strategies and performance measures outlined in this and future corporate plans. Assuming attendance levels only reach 20% of past levels, the

Museum will face a $8 million shortfall in earned revenue. This will require the Museum to call on the last of its reserves, cut back public programming, reduce occasional and term staff, reduce scientific fieldwork, reduce processing collections back-log, hold vacancies in research and engagement and cut funding to the centres of excellence.

The second most pressing issue is the gap in funds to operate the two facilities under the stewardship of the Museum. This is the result of a decision in 1994 to transfer the custody of Museum land and buildings to the Museum from Public Works and Government Services Canada without indexing the $7.5 million accommodation portion of the appropriation which now partially covers the current $13.5 million in annual accommodation costs.

The Summary, approved by the Board of Trustees on November 26, 2020, confirms five strategic objectives:

- Transform people's understanding of Canada's leadership in Arctic knowledge and its importance to our global natural future and be a global museum leader that engages in and influences global dialogue about the Arctic and its importance to our collective future. **The focus of this fiscal will be the sharing of Arctic content headlined by *Planet Ice* at the Ontario Science Centre and *Qilaluukat!* as a new travelling exhibit product.**

- Transform understanding of the relevance and influence of species knowledge to peoples' lives now and, in the future, and be a national museum leader that contributes to the understanding of Canada's biodiversity and geodiversity. **The focus this fiscal will be on the virtual global Species Discovery symposium and the campus expansion plan that will showcase the relevance of collections based scientific research now and in the future. The expansion of the research campus is a priority for the Museum's long term capital plan.**

- Transform understanding and engagement with nature by leveraging expert narratives, extraordinary collections, personal experiences and powerful dialogue and be a leader and collaborator in innovative and sustainable nature inspiration and engagement programming. **The focus of this fiscal will be on the creation of new content experiences (physical and digital) that showcase the Mont-Saint-Hilaire mineral collection, Museum and the National Science and Engineering Research Council (NSERC) supported water research, and that promotes natural resource literacy.**

- Play a vital role on the national and global stage to advance understanding and respect for nature and be a known, respected, active and called upon player locally, nationally and globally. **The focus this year will be on high profile engagement at international scientific forums including International Union for the Conservation of Nature and ArcticNet.**

- Evolve the museum enterprise model to embrace new technology, data analysis and employee engagement and be a global leader in sustainable museum enterprise model application and development. **The focus for this fiscal will be a refreshed website (fully funded), support of the major gifts campaign of the Nature Foundation and engagement of the Diversity & Inclusion employee resource group.**

2.0 Corporate Overview

The Canadian Museum of Nature, an agent Crown corporation 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.

National museums reflect who we are as a country by virtue of what we value, save, share and protect: Art, History, Science & Innovation, Human Rights, Immigration and Nature. Canada's national museums have a local, national and international role. Local, as visitor destinations that inspire through evidence-based storytelling. National and Global, as creators and distributors of Canada's stories, through outreach programs and events in cities across Canada and around the world; through collection loans to museums, galleries, libraries and community centres and through collaborative research on natural and cultural heritage. Also, with digital content in virtual exhibits, digital apps, on-line collections, downloadable resource materials and all social media platforms, through access to physical and digital content as source information for content producers in TV, radio, film, news, education, research and public policy. And with international programming through exhibits, programs, collaborative research, conference presentations and content co-creation. **National museums play a vital role as trusted sources of contextualized knowledge, as keepers of the record of our past and as catalyzers of conversations about our future aspirations.**

The Canadian Museum of Nature is one of Canada's national museums, each committed to reflecting who we have been, who we are now and who we aspire to be as a country and as Canadians. As a member of the Canadian Heritage Portfolio, we endeavour to support the Minister's mandate letter as it applies to the Museum's mandate. **For 2021-22, the Museum will play a role in increasing Canadians' awareness of climate change and will participate in changes to national museum policy dealing with access to Canada's history particularly through digitized collections. The Museum will also continue to advance its 2016 Diversity & Inclusion Framework actions, as one way to respond to the Minister's call for greater attention to workplace wellbeing and diversity.**

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 NHC 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.

The Museum's Departmental Results Framework consists of the Museum's Core Responsibilities that reflects the three central aspects of the Museum's mandate: Inspiration and Engagement (Inspiration of visitors and stakeholders to engage with and value nature), Collections Care and Access, and Research and Discovery. Buildings and grounds include the ongoing operations and maintenance of the Museum's two facilities. Internal services include 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.

The report on the previous year's results can be found in the Museum's Annual Report posted on nature.ca.

Global Vision: A sustainable natural future.

Global Mission: To save the world for future generations with evidence, knowledge and inspiration.

At the highest level, the mission of the Canadian Museum of Nature is nothing less than to support making the vision of a sustainable future a reality. Our work is contributing to a more sustainable natural future by informing the decisions we make today. As current trends of climate change, habitat loss, mass species extinctions, and their causal factors run counter to this vision, the Museum's mission is one of inspiring change. We are an instrument, one of many working in concert within the scientific community, for providing the foundation required to foster the change required to "save the world". It is a foundation built on evidence, knowledge and inspiration, which are the mainstays of our work.

National Vision: Understanding and respect for nature.

Dynamic change is required to seize opportunities in the Museum's **nature inspiration**, Arctic knowledge, and species 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 150th anniversary of Confederation allowed the Museum to seize many opportunities to extend the reach and impact of our public engagement and our research and discovery programs.** The opening of the Canada Goose Arctic Gallery in summer 2017 demonstrated the Museum's expertise in Arctic knowledge and exploration and it provides an inspiring space for learning about our natural world **and how climate change and biodiversity loss are affecting environment health.**

National 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 21st century global context.

Fulfilling the Mission

Knowing more about nature gives us the tools to make better decisions about resources. It provides the basis for new technologies and developments, and promotes a better understanding of how we affect, and are affected by, the natural world.

Our Experience and Engagement division is leading our effort to deliver dynamic personal experiences, powerful dialogue and debate, expert narratives and extraordinary chronicles about our collections. A connection with the Museum promises to inspire connections with nature and explorations of our natural future.

The Canadian Museum of Nature is home to one of the world's largest natural history collections. Comprising 26 major science collections and more than 14.6 million specimens, the Museum's holdings cover four billion years of Earth history and are shared with the world through loans, digitization, travelling exhibits and our permanent exhibits.

Through the activities of our Research and Collections division, the Museum continues to conserve, maintain, develop and share its natural history collections, for which it has developed considerable expertise in the areas of collection conservation and collection management. In the research area, our key activities are focused on discovery of new knowledge about biological diversity (biodiversity) and geological diversity (geodiversity) in Canada and globally, contributing to the body of knowledge on which decisions to preserve, protect and sustainably manage our planet's natural heritage are based.

Our Mandate

"The purpose of the Canadian Museum of Nature 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."

– from the *Museums Act*, Section 11 (1990, c. 3)

Our Values

Integrity and Stewardship
Respect for People and Nature
Pursuit of Excellence
Continuous Learning

Our Character

Curious
Collaborative
Creative
Courageous
Colloquial

Our Promise

Be inspired by natural history to explore our natural future.

The Board of Trustees is the Museum's governing body, responsible to Parliament through the Minister of Canadian Heritage. More specifically, as per the *Museums Act*, Part II Organization Section 18 (3) "The Board is responsible for the fulfilment of the purposes and the management of the business, activities and affairs of the museum." The Museum is accountable to Parliament through the Minister of Canadian Heritage (s. 88, *FAA* Each Crown corporation is ultimately accountable, through the appropriate Minister, to Parliament for the conduct of its affairs.) The 11 members of the Board of Trustees are Governor-in-Council appointees from all regions of the country.

3.0 Operating Environment

Dynamic change is required to seize opportunities in the Museum's nature inspiration, Arctic knowledge and species discovery activities. The COVID-19 pandemic has created an environment where science is playing a much more vital role in decision making and public policy. While the effort to create a vaccine continues, environmental trends will continue to increase the value of the Museum's mandate over the planning period, but the Museum needs to continue to adapt significantly to deliver. The ability to invest in change will be conditioned by the Museum's financial framework which demands for the continuous development of new sources of revenue and efficiencies in order to sustain its operations. The sustainable museum enterprise team reviews all revenue generating and cost containment efforts every two weeks to ensure the operating budget is on track to breakeven. New revenue generating programs and new cost containment projects are proposed, executed and monitored regularly.

Environmental Scan

Our planet is facing immense challenges. The twin crises of biodiversity loss and climate change are among the greatest issues facing humanity, and how we respond to these crises now will affect how we live on our planet in the future. We are living in the Anthropocene, the proposed current geological era in which humans are the primary cause of permanent planetary change. As a result of human activity, habitat destruction, concentrations of carbon dioxide and methane in the atmosphere, ocean acidification, pollution and overexploitation of natural resources are all increasing.

The climate is warming rapidly: 2019 was the second hottest year on record, 2015–2019 are the five warmest years on record, and 2010–2019 is the warmest decade on record. In response to climate change the world is experiencing increasing drought, flooding and fire, sea level rise and sea ice decline. Under current emission scenarios, global average temperature is expected to increase by 3 to 5 degrees Celsius by 2100.

We are in the midst of an extinction crisis caused by humans. Biodiversity is declining faster now than at any time in human history. The global rate of species extinction is tens to hundreds of times higher than the average rate over the past 10 million years – and it is accelerating.

At the highest level, the mission of the Canadian Museum of Nature is nothing less than to support making the vision of a sustainable future a reality. **As current trends of climate change, greenhouse gas emissions, habitat loss, mass species extinctions, and their causal factors run counter to this vision, the Museum's mission is one of inspiring change.** We are an instrument, one of many working in concert within the scientific community, for providing the foundation required to foster the change required to "save the world". It is a foundation built on evidence, knowledge and inspiration, which are the mainstays of our work.

At a micro level, we are literally "saving the world", as we build and maintain the National Natural History Collection, a scientifically active research infrastructure of over 14.6 million specimens which creates a geo-temporal record of nature – I.e. what has lived and is living in on our planet. From this evidence of the world and life on it, we can develop knowledge of interdependencies, a record of change, and a basis to understand impacts and where change is leading.

Our mission extends, through public engagement, to inspire people to know, engage with, and care for, nature. We hope that in turn this will lead them to engage with finding the right path for our natural future. Pre-COVID-19 over 400,000 people came through our Museum doors annually, and millions more engage with us through visits to our travelling exhibits in locations across Canada and abroad and by visiting us online at nature.ca. During COVID-19, the Museum's on-site attendance has declined to just over 50,000 visitors yet our online visitation and digital reach has increased considerably as

demonstrated by our virtual Open House reaching over 20,000 visitors compared to 3,500 on-site in 2019.

Today the world's direction is threatened by fake news, polarized opinions that go unchallenged by fact, and by national reactions that are often impotent in addressing global problems. In the face of this, the Canadian Museum of Nature is playing its part to help "save the world" for future generations with evidence, knowledge and inspiration. As a scientifically active national museum with international reach, this is reinforced by and references Canada's global position as an advocate for global cooperation, global solutions and evidence-based decision-making. The Museum's role on the national and global stage is increasingly important given the challenges to our natural world such as climate change, habitat loss and species extinctions.

Research and Discovery

As a barometer of change in climate and biodiversity, the relevance of the National Natural History Collection is conditioned by its currency and accessibility. Currency is reliant on acquiring significant specimens from relevant areas, particularly areas of scientific note and/or areas that are experiencing change. This in turn is reliant on opportunities for researchers to get out into the field to explore and discover to find new specimens, and also on our ability to work with other scientific institutions to acquire or exchange specimens, or specimen data, for research purposes. Access and exchange with other institutions is vastly facilitated by digitization of specimen data. Acquiring and developing knowledge from scientific specimens is then reliant on the quality of our scientific team and our science laboratories and equipment. Demonstrating scientific relevance is increasingly important and the Museum's strategic plan is advancing relevance in the annual Science Review publication that summarizes the use of and reference to the Museum's collection and science. **The Science Review categorizes the research programs based on a Science Theme including: Botany and Environmental Health; Zoology and Conservation; Mineralogy and Earth History and Palaeontology and Evolution. The Museum is also advancing its role in informatics as a scientific discipline that categorizes data so that it can be used universally by scientists and public policy makers around the world.**

The Museum shows leadership in all these areas by working and cooperating closely with and within aligned scientific institutions and organizations on a local, regional, national and international level. Federal partners such as Environment and Climate Change Canada, Fisheries and Oceans Canada and Parks Canada may assist by providing researchers with transit and access to field sites. Local universities cooperate in sharing equipment and students, while local, national and international universities cooperate on research. Digitization of over 14.6 million specimens collected over the course of over 160 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. Given the importance of digitization, the Museum has made it a priority for fundraising and for the long term capital plan. 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 International Arctic Science Committee (IASC), the Global Biodiversity Information Facility (GBIF) and the International Union for Conservation of Nature (IUCN). In addition to cooperating on developing and sharing knowledge, these national and international alliances and bodies are also fora for the Museum to take leadership in areas of cooperation such as citizen science, conservation and sharing of digitized collections on open platforms.

While increases in the operating budget provided by the Government will be helpful to partially offset rising costs, longer-term research leadership will be made possible through successful ongoing fundraising efforts and contributions. **The Museum's current strategic framework outlines $30 million in special projects that need external funding to advance including endowment funds for fieldwork, scientific training, science communications, biodiversity informatics, collection acquisitions, collections digitization and gallery content updates. In addition to these immediate projects, the Museum is also planning for the $70 million expansion of the collections and research facility located in Gatineau, Quebec where the national natural history collection is**

stored and where the Museum's scientific research is conducted. The current facility is at capacity having been built in 1997 with a 20-year collection growth plan.

Nature Inspiration and Engagement

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 <u>one</u> place to see the "real" scientific specimens that tell the story of Canada's natural world and to learn about how humans are very much part of nature, about origins and evolution and to enhance natural resource literacy.** The Museum's galleries, exhibits and public programs serve to inspire understanding and respect for the natural world with the goal that visitors will value the natural world and will thus choose to make informed decisions about its future.

The new factor affecting the market for museum visitation is the COVID-19 pandemic and its effect on visitors' willingness to visit a museum of any kind. Various organizations have conducted visitor intention surveys that will guide our estimates for visitations and our forecasts for earned revenue this fiscal and in years to come. In 2020 a Nik Nanos visitor intention survey indicated that up to 33% of regular museum visitors would be willing to visit a museum within the first 9 months from reopening. The balance of regular museum visitors would be willing to visit a museum after a vaccine is distributed. These intentions will seriously impact the earned revenue capacity of the Museum.

Nonetheless, competition in the sector continues to grow, as the market is becoming increasingly crowded from stay-at-home options from ever more sophisticated home entertainment systems, especially during the COVID-19 pandemic. Maintaining relevance in a digitally connected world where facts are only as far away as a smartphone, demands that the Museum experience embraces new media in telling relevant "stories", as facts alone are not enough. The Museum experience must be engaging, connecting visitors to how the presented knowledge is relevant to them, and providing interactivity for self-customization.

The Museum enjoys strong market penetration in its core family segment within the National Capital Region (NCR), with some geographic growth opportunities in suburban and cross-river communities and within adult and diversity demographic segments. In the face of aging demographics, stability and growth in these segments will rely on increasing frequency of visits through resonant programming that is COVID-19 safe and special exhibitions. 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 Museum's approach to tourism marketing will have to be adjusted to reflect the impact of COVID-19 on visitation to the National Capital Region and its museum attractions.

The Museum is an active partner with Ottawa Tourism and Tourisme Outaouais, the respective destination marketing organizations for the National Capital Region (NCR). **It should be noted that museums as a tourist attraction rank the highest in unaided awareness in tourism origin markets such as Toronto and Montreal, ranking even above Parliament. When people think of Ottawa, they think of museums. It logically follows that the seven national museum sites in the NCR cooperate in marketing at the "destination" (outside of local market) level.** This is done through cooperative marketing of the Museums Passport and through cooperative marketing of the national museums' value proposition as Ottawa Tourism and Tourisme Outaouais partners within their destination marketing campaigns. These marketing efforts in turn ladder-up into larger national and international marketing efforts with Destination Ontario, Tourisme Quebec, and Destination Canada. **Ottawa Tourism's new branding for the destination, "Canada in One City" is a perfect complement to the national museums value proposition and to that of each individual museum, such as the Canadian Museum of Nature.** The Museum will be monitoring the marketing approach taken by destination marketing agencies in the face of the ongoing affects of COVID-19.

Following the Museum closure on March 14, 2020 due to COVID-19, management continued to track tourism survey tracking data from across Canada and around the world. The survey data along with Canadian museum reopening experience in the summer of 2020 supported a forecasted reduction in attendance of between 70% and 80%. In the absence of a distributed vaccine by summer 2021, it is assumed that attendance will remain at 20% of forecasted levels with associated impacts on earned revenues in 2021-22 rising to 30% of forecasted levels in 2022-23 and 560% of forecasted levels in 2023-24.

TABLE 1: Visitor Attendance											
	2015-2016 Actual	2016-2017 Actual	2017-2018 Actual	2018-2019 Actual	2019-2020 Outlook	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast	2024-2025 Forecast	2025-2026 Forecast
Paid Admission	381,304	414,871	399,799	379,679	374,000	56,355	75,704	114,407	192,108	270,969	374,000
Unpaid Admission	103,850	111,067	89,490	82,118	81,000	25,410	34,134	51,585	69,296	87,270	81,000
Total	485,154	525,938	489,289	461,797	455,000	81,765	109,838	165,992	261,404	358,239	455,000

Financial Sustainability

Financial sustainability for the Museum is the ability to obtain funding to sustain operations at a steady or growing rate allowing the Museum to fully achieve its mandate. This requires not only capital and operating funding to repair, maintain and operate our buildings and grounds but also operating funding to invest in temporary exhibitions, acquire and develop talent, preserve the collections and improve public programming. Furthermore capital funding is also required for scientific equipment, permanent gallery renewals, heritage building stone and window renewal and information technology infrastructure.

Operating financial pressures stem from two factors. The first is due to the increased maintenance costs for the Victoria Memorial Museum Building (VMMB). More complex systems, higher taxes and the introduction of enhanced environmental controls contribute to the cost escalation, creating a funding gap. The second factor is due to inflationary pressures which have eroded facilities operating funds by over 38 percent since 1996 when the Museum took over responsibility for managing its two facilities.

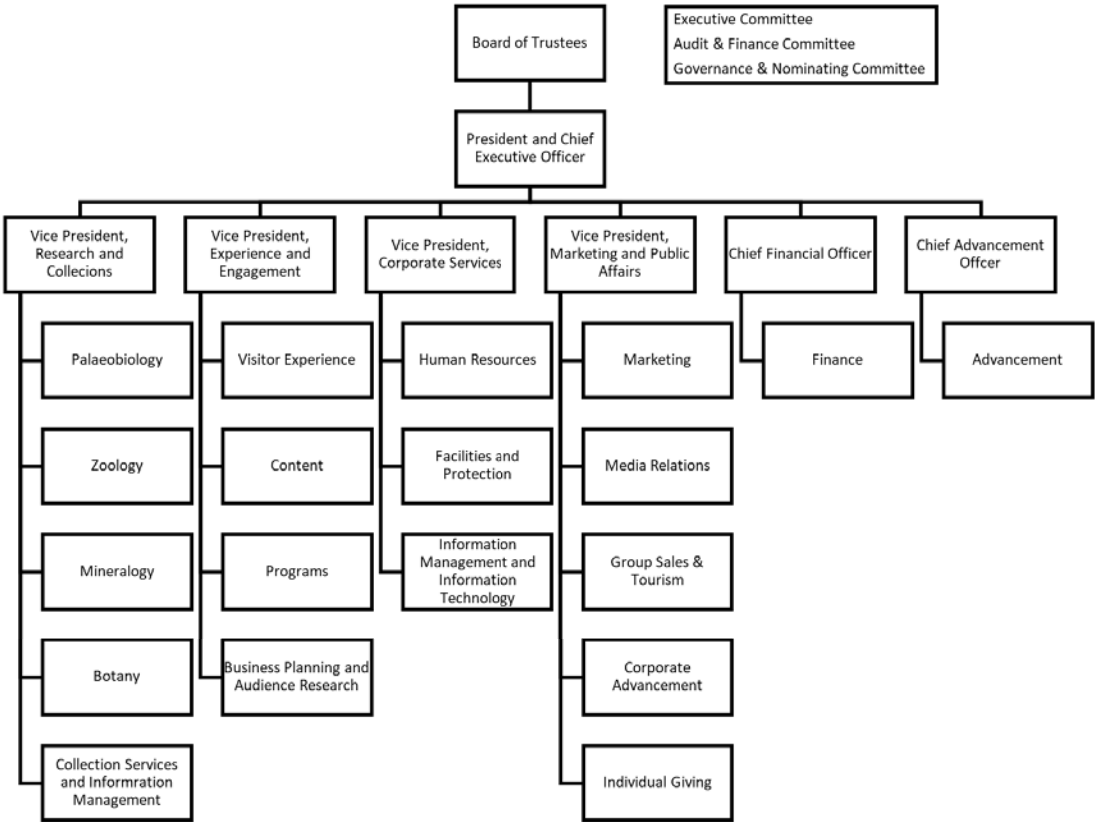
The Museum had made significant progress towards achieving financial sustainability through a combination of revenue generation and expenditure reduction measures implemented over the past seven years. In the context of COVID-19 and its effect on local visitation and tourism, the Museum has adjusted the business model for the enterprise. A combination of cost cutting, adjusted earned revenue streams that leverage digital content and sponsorship revenue in addition to calls on unrestricted net assets will be necessary to balance the budget in 2021-22 and beyond. The necessary cost cutting will result in less scientific fieldwork, slower growth of the national collection, fewer students being mentored, less in person programming, fewer venues for travelling exhibits and a changed approach to school programming.

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. Even in the time of COVID-19, demographic changes open new opportunities for individual annual, major gift and legacy giving. The Board of Trustees is primarily engaged in fundraising for operations. The newly established Canadian Museum of Nature Foundation is primarily engaged in major gift fundraising for special projects outlined in the Museum's strategic framework. The Foundation was established in November 2017, became active in 2018-19 and was publicly launched in 2020-21. **The Nature Foundation shares the Museum's vision of a sustainable natural future, one that will be created by the decisions we make today. By**

inspiring investments in discovery, research and education, the Foundation is helping to foster solutions for a better future. The Nature Foundation is an independent legal entity.

Personnel

The Museum depends on its employees to achieve its objectives. As part of the total compensation package, full-time and part-time employees of the Museum participate in the Public Service Pension Plan and Benefits plans. Approximately 90 percent of the Museum's workforce is unionized. In addition to compensation the Museum is committed to the safety and wellbeing of our employees Since 2016 the Museum has operated within a Diversity & Inclusion Framework that guides our approach and practices to provide a healthy and inclusive workplace.



Legislative and Policy Requirements

The Museum is committed to comply with relevant legislative and policy requirements to which it is subject. The Board of Trustees through its three standing committees 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 upcoming coming into force of the *Pay Equity Act*, the changes to the provisions of the Canada Labour Code regarding harassment and violence in the workplace and the anticipated coming into force of the *Accessible Canada Act* will place additional employment requirements on the Museum; however, these will be met using existing resources and it is not expected that they will incur additional costs to the organization.

The 2016-17 special examination by the Office of the Auditor General identified no significant deficiencies in the Museum's systems and practices. The special examination audit report released in January 2017 included 8 recommendations related to corporate management practices. The implementation of the eight recommendations was completed in February 2018.

4.0 Strategic Objectives, Results and Targets

The 2020-21 plan delivered on the COVID-19 adjusted measures that indicate the Museum is advancing its rolling strategic plan focused on Arctic, species discovery, nature inspiration, campus excellence and presence, and a sustainable museum enterprise. **Attendance, membership, fundraising, collaboration, research activity, digitization and majority of performance measures achieved or exceeded the COVID-19 adjusted target.** The Board and management believe the strategic plan framework remains relevant and the right guide for future operations of the Museum. Building on the success of the first five years of a post renewal strategic plan, the Museum is advancing another five years within the same strategic framework focused on its core strengths and in the areas of activity with the greatest impact on the public's interest in and understanding of our natural world. These areas continue to reflect the current and ongoing strategic framework that is focused on Arctic, species discovery, nature inspiration, presence and excellence, and sustainable museum enterprise. **The target ranges for measuring progress against our plan remain relevant and achievable by 2023-24 based on what we know today.** In light of the COVID-19 global pandemic and its effects on Museum operations, and following discussions with partners, senior management and members of the Board, the Board of Trustees approved the following strategic directions to guide the Museum's future activities and programs for the 2021-22 to 2025-26 planning period:

Strategic Objective #1: Transform people's understanding of Canada's leadership in Arctic knowledge and its importance to our global natural future.
Outcome #1: Be a global museum leader that engages in and influences global dialogue about the Arctic and its importance to our collective future.

Strategic Objective #2: Transform understanding of the relevance and influence of species knowledge to peoples' lives now, and in the future.
Outcome #2: Be a national museum leader that contributes to the understanding of Canada's biodiversity and geodiversity.

Strategic Objective #3: Transform understanding and engagement with nature by leveraging expert narratives, extraordinary collections, personal experiences and powerful dialogue.
Outcome #3: Be a leader and collaborator in innovative and sustainable nature inspiration and engagement.

Strategic Objective #4: Play a vital role on the national and global stage to advance understanding and respect for nature.
Outcome #4: Be a known, respected, active and called upon player locally, nationally and globally.

Strategic Objective #5: Evolve the museum enterprise model to embrace new technology, data analysis and employee engagement.
Outcome #5: Be a global leader in sustainable museum enterprise model application and development.

The Strategic Directions align with the Museum's three core responsibilities:

1. Visitor experience and public engagement
2. Scientific knowledge and collection care
3. Buildings and grounds

Strategic Objective #1:

Objective: Transform people's understanding of Canada's leadership in Arctic knowledge and its importance to our global natural future.

Outcome: Be a global museum leader that engages in and influences global dialogue about the Arctic and its importance to our collective future.

Context: Climate Change: The changes to the environment in the Arctic represent the single most significant natural history event of our lifetime.

Signature projects during the planning period:

- Lead an Arctic focussed collaborative knowledge creation and sharing project: Planet Ice travels to the Ontario Science Centre Winter 2021, Arctic Centre engages in EU led research project.
- Grow global digital data sharing through existing platforms and portals: Arctic collection digitization project funding continues in 2021. Crowdsourcing digitization launched in 2020.
- Recruit leading philanthropists as visible champions committed to understanding Canada's Arctic and the connections between climate change, biodiversity and environmental health: Ongoing
- Engage new partners, with established profile and alignment with the Museum to enhance public engagement and promote scientific training, such as Polar Knowledge Canada, ArcticNet, International Arctic Science Committee, Arctic Inspiration Prize: ongoing

Expected Results:
Due to the ongoing impacts of COVID-19 on Museum operations, we expect to see a reduction in the level of participants in Arctic programming, of funds raised, of experts sought out, of media stories about our Arctic research and of Arctic collection digitization. Since there is no comparable institution, these metrics were created by and for the Canadian Museum of Nature in discussion with our internal auditor.

Performance Measures:

Outcome	Measure	2019-24 Target Range	2020-21 Performance Forecast	2021-22 Performance Target
Be a global museum leader in Arctic Knowledge and Exploration	▪ Number of participants in Arctic themed experiences: gallery, travelling exhibit, program, digital	400,000 to 500,000	▪ 133,965	▪ 100,000
	▪ Funds raised supporting Arctic research, collections and engagement programming	$400,000 to $500,000	▪ $100,000	▪ $50,000
	▪ Number of contacts with the Museum of Nature and its experts and collections for Arctic related content, expertise and collaboration	50 to 80	▪ 34	▪ 25
	▪ Number of refereed Arctic related research publications by CMN staff and research associates	10 to 20	▪ 14	▪ 10
	▪ Percent of Arctic collections digitized	50 to 75%	▪ 55%	▪ 50%
	▪ Awareness of the Museum's Arctic content and expertise as measured by number of media mentions, stories, etc.	150 to 250	▪ 41	▪ 50

Strategic Objective #2:

Objective: Transform understanding of the relevance and influence of species knowledge to peoples' lives now and in the future.

Outcome: Be a national museum leader that contributes to the understanding of Canada's biodiversity and geodiversity.

Context: Biodiversity Loss: The most recent IPBES (Intergovernmental Panel on Biodiversity and Ecosystem Services) report predicted that over 1 million species face extinction in our lifetime.

Signature projects during the planning period:

- Grow scientific training program attracting talent from across Canada and around the world: attract 8 students each year. **Profile the Museum as a destination for scientific training through the Species Discovery Symposium and digital science talks.**
- Promote the cryogenic collection with Museum frozen tissue samples and welcome samples from outside the Museum; Promote the facility as a repository for university and museum collections. Ongoing throughout planning period.
- Invest in use of and promotion of the One World Collection hosted by the Smithsonian; Major news story spring 2021 to enhance public understanding of the role of collections in understanding endangered species and conservation.
- Invest in the International Union for Conservation of Nature (IUCN) programs and congress 2021 through sponsorship of the Canada Pavilion and Canada Youth Summit.
- **Develop a long-term plan for the expansion of the Natural Heritage Campus collections and research facility to accommodate the next 30 years of collections growth. High level outline completed by 2020 with request for funding detailed in 2021.**

Expected Results:

Despite the impacts of COVID-19 on Museum operations, we expect to see growth in the use of and reference to the national collection in research and popular publications as well as steady engagement in species description, new experts training, collections digitization and digital content downloads and retrievals. The global pandemic has resulted in an increase in interest in scientific evidence that helps us understand our connections with nature. We do expect to see a reduction of new experts guided by our research scientists due to reduced access to the Natural Heritage (Research) Campus.

Performance Measures:

Outcome	Measure	2019-24 Target Range	2020-21 Performance Forecast	2021-22 Performance Target
Be a national museum leader that contributes to the understanding of Canada's biodiversity and geodiversity	▪ Number of refereed publications by CMN and external	50 to 60 CMN 200 to 400 external	▪ 68 250 external	▪ 50 300 external
	▪ Number of new species and higher taxa described by the Museum	20 to 40	▪ 32	▪ 20
	▪ Number of new experts being guided by us	20 to 35	▪ 36	▪ 5
	▪ Collection lots digitized number and percent	910,000 to 1M 27% to 30%	▪ 905,000 / 27%	▪ 905,000 / 27%
	▪ Amount of data shared digitally through nature.ca	20 to 30 M	▪ 15.3 million	▪ 20 million

	▪ Growth of collection ▪ % of exhibits, galleries, programs championed by CMN collections and research	6,000 to 50,000 90 to 100%	▪ 38 ▪ 100%	▪ 5,000 ▪ 100%

Strategic Objective #3:

Objective: Transform understanding and engagement with nature by leveraging expert narratives, extraordinary collections, personal experiences and powerful dialogue.

Outcome: Be a leader and collaborator in innovative and sustainable nature inspiration and engagement.

Context: Natural Sciences Literacy: The challenges facing the planet and the people who depend on it call for a shared understanding of our natural world so that we can learn to live in balance with it.

Signature projects during the planning period:

- Refresh content with new lenses on nature in collaboration with strategic partners including Indigenous partners as fundraising is confirmed. **Focus on new content that showcases the Mont-Saint-Hilaire mineral collection and Museum and NSERC water research**.
- Develop and deploy a digital engagement framework for public programs and advancement. Map out requirements for a new web content management system and seek funding to implement. To be completed by December 2021.
- Invest in a refreshed approach to the national and international travelling exhibit program. High-level strategy to be completed in 2020 and new products touring by winter 2021.
- Invest in the Museum's role with the Canada Ocean Literacy Coalition and in its natural resource literacy program with office space, office support, senior executive time and content support. Ongoing throughout the planning period.
- Grow the Museum's natural sciences profile through collaborations with strategic partners such as #NatureForAll, UNEP, Canadian Geographic, National Film Board and Ray's Nature Centre. Ongoing throughout planning period.

Expected Results:

We expect to see a reduction in on-site and off-site attendance to reflect the ongoing effects of COVID-19 on local and tourist visitation to museums in general. This reduction will also be reflected in memberships. Investments in new programming will increase visitor engagement and could lead to higher levels of donor funds and Board engagement through giving.

Performance Measures:

Outcome	Measure	2019-24 Target Range	2020-21 Performance Forecast	2021-22 Performance Target
Be a leader and collaborator in innovative and sustainable nature inspiration and engagement	▪ Number of visitors attending the VMMB and travelling exhibit experiences	1 to 2 million	▪ 24,917	▪ .25 million
	▪ Number of membership households	5,000 to 6000	▪ 6,217	▪ 1,500
	▪ Visitor engagement (surcharge ticket purchase)	40 to 60%	▪ 54% highly engaged	▪ 20% highly engaged
	▪ Number of organizations collaborating with the Museum for content and program development	75 to 100	▪ 20 collaborators	▪ 20 collaborators
	▪ Funds raised in support of nature inspiration, content and experiences	$500,000 to $1 million	▪ $315,089	▪ $250,000
	▪ Board engagement in advancement programs percent and funds raised	$50,000 to $100,000	▪ 73% / $$43,325	▪ 80% / $100,000

Strategic Objective #4:

Objective: Play a vital role on the national and global stage to advance understanding and respect for nature.

Outcome: Be a known, respected, active and called upon player locally, nationally and globally.

Context: National Museum Role: Natural history museums around the world have collectively determined they need to step up and play a more vital role in the creation and sharing of knowledge about nature's past, present and potential future.

Signature projects during the planning period:

- Invest in informatics and research infrastructure through digitization of the collection. Ongoing.
- Invest in national and international external relations programs with government, non-governmental organizations, museums and industry including provincial museums in Canada, natural history museums with an Arctic research program and corporations from the natural resources sector. Ongoing through the planning period.
- Invest in science writing and communications for media, government and stakeholder audiences to raise Canadians awareness of climate change and biodiversity loss through museum research.
- **Invest in global conferences and forums with Museum experts as speakers and the Museum as sponsor such as Arctic Science Summit Week, Global Biodiversity Information Facility and the International Union for the Conservation of Nature.** Ongoing throughout the planning period.
- Refresh the Nature Inspiration Awards national recognition program to reflect current trends in nature conservation and the twin crises of climate change and biodiversity loss.

Expected Results:
The Museum's presence and impact on the national and global stage is directly related to the number of scientific and collections management experts available to share knowledge. We expect the level of activity to remain stable to reflect no increase in research staff while also reflecting the effect of COVID-19 on external engagement.

Performance Measures:

Outcome	Measure	2019-24 Target Range	2020-21 Performance Forecast	2021-22 Performance Target
Be a known, respected, active and called upon player locally, nationally and globally	▪ Number of roles in national and international collections management, research and visitor experience bodies	30 to 50	▪ 39	▪ 30
	▪ Number of active external relations partners with national and global reach	5 to 8	▪ 14	▪ 5
	▪ Number of Museum presentations at conferences and workshops / Audience	30 to 40 / 3,000 to 4,000	▪ 39 / 9,000	▪ 5 / 500
	▪ Digital stories/views	5 to 7 / 100,000 to 200,000	▪ 32 / 49,200	▪ 5 / 100,000
	▪ Open House attendance	2,500 to 3,500	▪ 20,000+	▪ virtual
	▪ Number of media mentions and stories	1,500 to 2,000	▪ 912	▪ 1,500

Strategic Objective #5:

Objective: Evolve the museum enterprise model to embrace new technology, data analysis and employee engagement.

Outcome: Be a global leader in sustainable museum enterprise model application and development.

Context: Fiduciary responsibility and Duty of Care: To fulfil its mandate, the Museum must find ways to balance investments in mission-based programs and those that generate earned revenue while advancing its greening of operations and environmental stewardship programs.

Signature projects during the planning period:

- Leverage technology platforms including Tessitura: Customer Relationship Management, People Counters: Artificial Intelligence, and Content Management: a refreshed website. Fiscal 2021-22.
- Develop data analytics approach for Sustainable Museum Enterprise (SME) across all enterprise and corporate services units to ensure we have a financially sustainable business model. Focus for 2021 responding to COVID-19, greening operations, environmental stewardship.
- **Evolve the enterprise model toward an earned revenue framework that considers the effects of COVID-19.** Ongoing throughout the planning period.
- Evolve the talent management framework to accommodate the need for a nimble, adaptable workforce comfortable with change guided by the management succession plan and the Diversity and Inclusion Framework. Ongoing throughout the planning period.
- **Support the major gifts campaign of the Canadian Museum of Nature Foundation focused on investments of $250,000 and higher.**

Expected Results:
The COVID-19 global pandemic triggered the closure of the Museum for five months in 2020-21 and is expected to cause a reduction in attendance of 80% in 2021-22.

Performance Measures:

Outcome	Measure	2019-24 Target Range	2020-21 Performance Forecast	2021-22 Performance Target
Be a global leader in sustainable museum enterprise model application and development	▪ Earned revenue as % of total budget	▪ 25 to 30%	▪ 9%	▪ 5%
	▪ Efficiency of facility operations in cost/SM	▪ 100 to 178	▪ 144	▪ 144
	▪ Advancement revenue as % of earned revenue	▪ 14 to 19%	▪ 38%	▪ 10%
	▪ Number of experience connections per FTE	▪ 20,000 to 30,000	▪ 9305	▪ 5,000
	▪ Percent of staff engaged in professional development and training	▪ 20 to 30% Industry Standard	▪ 37%	▪ 20%
	▪ Alignment of the performance management program PMP and succession plans to support the enterprise model and a positive workplace culture	▪ Combined and integrated approach to human resource development and workplace culture	▪ PMP, D&I, Health & Wellness frameworks adjusted for COVID19	▪ PMP, D&I, wellness, succession, indigenous engagement frameworks activated

Risk and Risk Responses

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 Summary identifies four risks including advancement, structural deficit, succession and Budget 2016 and their related mitigation strategies. In 2020-21, all budget 2016 commitments were confirmed and so this risk will be removed.** The risk mitigation step involves development of mitigation strategies designed to manage, eliminate, or reduce risk to an acceptable level, ideally low. **The global pandemic will increase the risk that the structural deficit and advancement programs will not provide the funding needed to fulfill the mandate of the Museum.** Budget 2021 announced emergency funding for national museums including $8 million for the Canadian Museum of Nature. This funding will help offset the continuing losses in earned revenue due to COVID-19 as attendance rebuilds post pandemic.

In addition, the Summary identifies one opportunity in Information management & technology and its leveraging strategy. The opportunity involves development of a plan to maximize the benefits of this opportunity for the organization, considering the costs. The Museum's investment in Office 365 and the Microsoft Teams collaboration tools, resulted in a quick adaptation to working at home during the global pandemic. **The ongoing investment in cybersecurity systems and training continues to provide the opportunity to minimize additional risks created by augmented dependance on digital tools for communications, scientific research, science collaboration and content creation.**

The mitigation strategies for each risk, will be continually monitored to assess their efficacy with the intent of revising the course-of-action if needed.

The Museum continuously reviews its program, its means of delivery and its supporting activities to ensure they remain relevant to Canadians.

Based on an environmental scan of the natural sciences issues of interest and concern across Canada and around the world, the Museum has updated its multi-year special exhibit program taking it to 2023-24. Planet Ice, Bug Lab, Planet Ice returns, T-Rex and live animals are confirmed or planned exhibits. Bug Lab originally scheduled for summer 2021 was rescheduled to summer 2024 when higher attendance is anticipated.

YEAR	SUMMER	FALL
2020-21 Arctic Theme	Museum closed	Planet Ice Exhibition
2021-22 Species Discovery	No special exhibit. Low capacity. Outdoor live animal show (TBC)	No special exhibit. Low capacity.
2022-23 Arctic Theme	Planet Ice Returns	Butterflies (TBC)
2023-24 Species Discovery	T-Rex Exhibition (American Museum of Natural History (AMNH)	Butterflies (TBC)
2024-25 Natural Science	Bug Lab (TePapa Museum of New Zealand)	Butterflies (TBC)

The Museum continues to identify and act on opportunities for collaboration with the other national museums that improve effectiveness and efficiency. The national museums now have a systematic approach for identifying and advancing co-procurement projects, cooperative exhibit scheduling and cooperative marketing projects. In addition to cooperative tourism marketing mentioned earlier in this plan, the national museums also borrow objects from each other to enhance the content in special exhibitions. Planet Ice: Mysteries of the Ice Ages benefitted from object loans from the Canadian Museum of History. COVID-19 triggered enhanced collaboration through lessons learned when creating digital content for family and school audiences. The learning was among the national museums as well as members of the Alliance of Natural History Museums of Canada.

The Museum has been building its fundraising capacity since 2012 by hiring new professionals, engaging the Board of Trustees' network, cultivating a pipeline of prospective supporters and packaging attractive projects to support. **As a federal Crown corporation, the Museum faces challenges positioning itself as needing philanthropic support relative to the many other worthy charitable causes in the local, provincial and national marketplace. We are inspired by the success of the National Arts Centre (NAC) (built up over 20 years) and of the National Gallery of Canada (NGC) (built up over more than 20 years)**.

Inspired by the NAC and NGC model, the Board supported and encouraged the establishment of the Canadian Museum of Nature Foundation, a separate and distinct legal entity, non-share capital corporation dedicated to raising funds in support of the Museum's priorities. **The Nature Foundation was confirmed as a registered charity in November 2017 and became fully active in fiscal year 2018-19.** A separate Board of Directors elected by the members of the Nature Foundation oversees the management of the activities and affairs of the Nature Foundation. The Museum and the Nature Foundation have an MOU that reflects the collaborative nature of the relationship between the two legal entities. The Nature Foundation fundraising efforts are supported by the Museum's Major Gifts Advancement team. The MOU outlines the nature of the financial services support provided to the Nature Foundation by the Museum's Finance Division. The amount of the in-kind support from the Museum for 2020-21 was valued at $143,000 in-kind and resulted in $875,000 in funds received supporting the mission of the Museum. in 2021-22 the Foundation expects to confirm new donor pledges valued at $1 million. At the time of writing, $450,000 in new donor pledges have been confirmed by the Nature Foundation in support of the Museum. **The Nature Foundation's mission is to inspire investments in nature discovery, research and education to foster solutions for the future. The Nature Foundation shares the Museum's vision of a sustainable natural future.**

5.0 Five-Year Financial Overview

Overview

The Museum will continue looking for ways to find new and larger sources of self-generated revenues for its programs and services, and to develop new approaches to working with collaborators. Revenue generation measures in 2021-22 and beyond will include:

- continuing with the roll out of the next phase of the Museum's fundraising and development strategy, with the goal of raising $25 million over five years.
- supporting the CMN Foundation in building its fundraising capacity to inspire investments in nature discovery, research and education;
- developing and deploying a digital engagement framework for public programs and advancement.
- engaging new partners, with established profile and alignment with the Museum to enhance public engagement and promote scientific training;
- implementing a plan to increase earned revenues by capitalizing on the VMMB's commercial operations, especially in the areas of attendance and membership fees, rental of facilities, ticketed programs, boutique and parking that considers the impact of COVID-19;
- evolving the museum enterprise model to embrace new technology, data analysis and employee engagement and be a global leader in sustainable museum enterprise model application and development;
- expanding the Museum's virtual presence and attract new audiences through the use of digital strategies including digital storytelling, digital apps, digital collections, digital natureART exhibits and downloadable teacher resources;
- enhancing existing marketing and awareness campaigns, including the Museum's social media marketing campaign;
- evolving the business model for the travelling exhibitions program at the Museum to reflect changes in demand for types and subjects of exhibits; and
- monetizing the physical assets of the Museum at the VMMB and NHC sites while advancing the greening of operations and environmental stewardship programs.

TABLE 4: Summary of Operating and Capital Budgets

(in thousands of dollars)	2019-20 Actual	2020-21 Proposed	2020-21 Outlook	2021-22 Proposed	2022-23 Proposed	2023-24 Proposed	2024-25 Proposed	2025-26 Proposed
Capital Budget	2,170	3,500	3,500	500	500	500	500	500
Operating Budget	**49,123**	**36,661**	**36,457**	**37,820**	**33,461**	**34,491**	**36,316**	**38,097**
Variation in Deferred Appropriation - Capital	(2,170)	(3,500)	(3,500)					
Variation in Accumulated Unrestricted Net Asset	(3,290)		442	(500)	(500)	(500)	(500)	(500)
Revenues	**(12,380)**	**(9,850)**	**(2,270)**	**(2,133)**	**(3,099)**	**(5,410)**	**(7,529)**	**(10,410)**
Parliamentary appropriation and Emergency Funding	**33,453**	**26,811**	**34,629**	**35,687**	**27,687**	**27,687**	**27,687**	**27,687**
Potential Emergency Funding / Reserves	**-**	**-**	**-**	**-**	**2,674**	**1,394**	**1,100**	**-**

Table 4 outlines the capital and operating outlook for 2020-21 and the capital and operating budget for the planning period 2021-22 to 2025-26. In 2021-22, the total cost on a cash basis is $38.32 million: $37.82 million for the Operating Budget and $0.50 million for the Capital Budget. Of the amount of $37.82 million, $27.69 million will be sourced from parliamentary appropriations, $8 million from Government emergency funding announced through budget 2021 to address anticipated shortfall in earned revenues because of the pandemic and $2.13 million will be sourced from revenues. The Museum will be using savings from anticipated program cuts, staffing actions and accumulated unrestricted net assets to address anticipated shortfall in earned revenues as result of the pandemic in the absence of a financial relief from the Government of Canada.

The 2020-21 outlook reflects the anticipated $7.58 million shortfall in earned revenues and the increase in parliamentary appropriation from $26.81 million to $34.63 million as result of the $5.93 million emergency funding received to help the Museum offset revenue shortfall caused by the pandemic and to safely reopen to the public on September 5, 2020 and the $1.89 million in-year and retro funding for compensation adjustment related to the two expired collective agreements currently in negotiation. Consequently, the Museum is forecasting a surplus of $0.44 million that will be used to offset 2021-22 revenue shortfall.

$0.87 million will be provided annually to the Museum on an ongoing basis, beginning in 2021-22 for compensation adjustment.

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 Payment in Lieu of Taxes (PILT) being paid and deferred recapitalization projects, primarily those related to immediate health and safety issues. Projects funded through Budget 2016 and identified in the Financial Statements and Budgets are expected to be completed on time and on budget to meet the required scope.

Achieving financial sustainability has been, and will continue to be, one of the main priorities of the Museum. The Museum has in place a number of strategies designed to manage both known and anticipated pressures. An enterprise risk management approach that aims to identify, assess and mitigate potential risk is being used to manage these strategies and pressures in support of the vision to be a national institution providing maximum value and service to the public. In spite of the progress towards achieving financial sustainability, addressing the financial pressures related to operating the two facilities under its stewardship remains the most critical issue facing the Museum as it is still vulnerable to the impact of inflation on key inputs such as utilities and property taxes.

Planning Assumptions and Projections

Parliamentary Appropriations

The budgets have been formulated on the basis of the operating environment and the Departmental Results Framework. Table 4 above summarizes the operating and capital budgets.

The Museum is estimating expenditures of $38.32 million in 2021-22, $32.82 million for the 2021-22 Operating Budget and $0.50 million for the 2021-22 Capital Budget. In 2021-22, the Museum is proposing a total Operating Budget of $37.82 million, compared to $36.66 million approved in 2020-21. 73% of the Operating Budget will come from parliamentary appropriations (78% in 2020-21), 6% will come from self-generated revenues (6% in 2020-21), while remaining 21% will be sourced from Government emergency funding announced through Budget 2021 (16% in 2020-21 through Government emergency funding). The Museum will be using savings from anticipated program cuts, staffing actions, and accumulated unrestricted net assets to address anticipated shortfall in earned revenues in the future years in the absence of a financial relief from the Government of Canada.

Appropriations for 2021-22 of $27.69 million is $6.94 million lower than 2020-21 outlook and mainly due to the $5.93 million emergency funding received in 2020-21 to help the Museum offset revenue shortfall caused by the pandemic and to safely reopen to the public on September 5, 2020, and the $1.89 million in-year and retro funding for compensation adjustment related to the two expired collective agreements currently in negotiation.

Earned Revenues

Table 5 outlines the revenue forecast for the planning period.

TABLE 5 : Revenue Forecast							
(in thousands of dollars)	2019-2020 Actual	2020-2021 Forecast	2021-2022 Forecast	2022-2023 Forecast	2023-2024 Forecast	2024-25 Forecast	2025-26 Forecast
Admission and program fees	5,169	436	465	1,082	2,442	3,549	5,097
Ancillary operations	2,313	232	339	694	1,284	1,820	2,600
Contributions	3,633	660	590	674	1,017	1,381	1,888
Contributions from Foundation	170	100	100	100	100	100	100
Interest income	448	84	84	84	82	169	169
Other	647	759	555	465	486	510	556
Total revenues	**12,380**	**2,270**	**2,133**	**3,099**	**5,410**	**7,529**	**10,410**

The revenue forecast for admission and program fees and other revenues reflects the impact of the pandemic with a forecasted reduction in attendance of 70% for 2020-21 planning period, an adjusted general admission price increase and suspension of all programming and events activities in 2021-22. In the absence of a distributed vaccine by summer 2021, it is assumed that attendance will remain at 20% of forecasted levels with associated impacts on earned revenues rising to 30% of forecasted levels in 2022-23 and 50% of forecasted levels in 2023-24 and 70% attendance level in 2024-25. Reduction is also expected in off-site attendance, travelling exhibit bookings, sponsorships, and memberships in 2021-22 and beyond.

As a result, admission and program fee revenues, ancillary operations including rentals of facilities, boutique sales and cafeterias leases and parking are expected to significantly decrease in 2021-22 and beyond. Programs including Nature Nocturne evenings, café, sleepovers and birthday parties will remain shut down for the 2021-22 planning period.

In 2020-21, the Museum is projecting an operating surplus of $0.44 million. This surplus is mainly due to the $1.89 million in-year and retro funding for compensation adjustment related to the two expired collective agreements currently in negotiation.

In 2021-22, the Museum is projecting total revenues of $2.13 million. In the absence of a distributed vaccine by summer 2021, it is assumed that attendance will remain at 20% of forecasted levels with associated impacts on earned revenues compared to 30% of forecasted levels in 2020-21. The Museum rescheduled its major temporary exhibition Bug Lab originally scheduled for summer 2021 to summer 2024 when higher attendance is anticipated resulting in net savings of $0.8 million.

The Museum expects a significant shortfall in revenues of $8 million in 2021-22, $2.67 million in 2022-23, $1.39 million in 2023-24 and $1.1 million in 2024-25 due to the COVID-19 pandemic. This has required management to adjust its business model. A combination of cost-cutting, new earned revenue streams that leverage digital content in addition to calls on reserves to balance the budget in 2021-22 and beyond. The Museum was notified it would receive $8 million in emergency funding through Budget 2021. This funding will help the Museum address the revenue shortfalls in 2021-22 and will help the Museum plan for future revenue shortfalls in the coming years as the attendance levels gradually come back to pre-pandemic levels. It is imperative to maintain at least $2 million in unencumbered liquid assets to be able to react to unexpected and emergency capital and operating expenses and that disappears in 2022-23.

Investments

On February 23, 2017, the Museum received a large philanthropic gift of $4 million from the Ross Beaty family in Vancouver, which will enhance the Museum's national research and collections efforts focused on species discovery.

The Museum established a $3 million spend-down fund restricted to support the creation of a national cryogenic facility and the digitization of the Museum's collections as per the donor request, within the Ottawa Community Foundation (OCF) in order to maximize earnings while meeting the Museum's needs. With a spend-down fund, the capital is invested in the OCF's investment pool, with the intention of paying out the capital in agreed upon intervals, until the fund is fully depleted. This option allows the spend-down schedule to be determined by the Museum, while also providing flexibility for its own needs, with similar pay out and approach as for endowed funds. The $3 million was transferred to the OCF on April 26, 2017. $1.5 million was paid out to the Museum during 2020-21 to fund the creation of the National Biodiversity Cryobank of Canada located at the NHC. The fair market value of the spend-down fund amounts to $1,565,581 according to the OCF's March 31, 2020, investment statement.

Additionally, on October 4, 2017, the Museum established a $1 million 10-year term fund within the OCF in order to maximize earnings and create the Arctic Post-Doctoral Fellowship for Arctic Knowledge and Exploration. The principal amount is invested in the OCF's investment pool. The fair market value of the term fund amounts to $947,026 according to the OCF's March 31, 2020, investment statement. In the event that the Museum decides not to maintain the fellowship, the fund shall be transferred back to the Museum.

The OCF investment pool is comprised of fixed income (23%), equities (55%) and private placements (22%). Private placements include open-ended real estate fund, open-ended real estate debt fund, global infrastructure fund, sustainable opportunities fund, new market fund and community forward fund. During 2021-22, the Museum does not expect to enter into similar transactions.

Risk management:

The Museum has exposure to credit and market risks on its investments. The Museum uses an enterprise risk management approach to manage risks proactively and prudently. The Museum's Board of Trustees and Management ensure that an accountability regime, a governance structure, and systems are in place to appropriately manage risks through the systematic consideration of risk at the functional level. Management, in a timely and proactive manner will identify, assess, mitigate and monitor risks that may prevent the Museum from achieving its objectives and priorities. The maximum exposure to credit and market risk of the Museum is the carrying value of the investment of $2.5 million as at September 30, 2020.

The Museum manages its credit and market risk surrounding its investments by dealing solely with reputable organization and utilizing an investment policy and risk management framework to guide its investment decisions. The OCF is a public foundation established to serve a broad range of charitable purposes primarily within the Ottawa region. To ensure its accountability to donors, beneficiaries and the community, as well as to provide guidelines for the prudent and effective management of the Fund, the OCF's Board of Governors have adopted an investment policy reflecting prudent and professional portfolio management, to allow steady and reliable granting and to preserve the endowed capital. As long-term investors, the OCF endorses the United Nations Principles for Responsible Investing (UNPRI) by integrating environmental, social and governance (ESG) factors into its investment management processes across the portfolio. By considering ESG factors as part of the investment process, OCF seeks to reduce risk and deliver competitive long-term investment performance.

The Museum monitors the performance and the status of its investments on a quarterly basis. In a year of negative investment performance, the Museum may decide to hold the distribution of the capital and investment income of its funds to a further year with a positive return in order to mitigate credit risk. The Museum's credit and market risk are not considered significant.

Contributions

In 2021-22, the Museum is anticipating that it will recognize a total of $0.69 million in contributions mainly attributable to the annual giving and Major Gifts and $0.20 million in gift-in-kind. Building a high-performance advancement operation focused on developing a pipeline of annual, sponsorship and major gifts prospects and donors is an important element of the sustainable museum enterprise operating model and to the success of the Museum in the future. An engaged and influential Board of Trustees is key to this success.

In the context of COVID-19 and its effect on local visitation and tourism, investment in a new programming and deployment of the Museum digital engagement framework for public programs and advancement is underway and remains critically important to increasing visitor engagement, expanding the Museum's virtual presence, engaging donors, seeking sponsorship of new digital content, and cultivating prospects virtually.

Operating Expenditures by Core Responsibility

TABLE 6: Budget Summary by Core Responsibility							
(in thousands of dollars - except for staff levels)	**2019-2020 Actual**	**2020-2021 Forecast**	**2021-2022 Forecast**	**2022-2023 Forecast**	**2023-2024 Forecast**	**2024-25 Forecast**	**2025-26 Forecast**
Staff Levels	139	139	139	139	140	140	140
Visitor experience and public engagement	11,768	10,049	11,259	8,746	9,471	10,383	11,245
Scientific knowledge and collection care	13,277	7,330	7,364	6,469	6,533	7,200	7,268
Buildings and grounds	17,889	13,145	14,087	13,263	13,434	13,610	14,390
Internal support services	6,149	5,892	5,071	4,944	5,013	5,083	5,154
Transfer to Foundation	40	40	40	40	40	40	40
Sub-total	**49,123**	**36,457**	**37,820**	**33,461**	**34,491**	**36,316**	**38,097**
Less: Revenues	(12,380)	(2,270)	(2,133)	(3,099)	(5,410)	(7,529)	(10,410)
Unrestricted net assets	(3,290)	442	-	-	-	-	-
Appropriation and Emergency funding	**33,453**	**34,629**	**35,687**	**27,687**	**27,687**	**27,687**	**27,687**
Potential Emergency funding / Reserves	**-**	**-**	**-**	**2,674**	**1,394**	**1,100**	**-**

Note: Table 6 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 4.

Table 6 outlines the budget summary by core responsibility based upon approved reference levels and revenue projections for the planning period. The Museum's Departmental Results Framework consists of the Museum's Core Responsibilities that reflects the three central aspects of the Museum's mandate: Inspiration and Engagement, Collections Care and Access, and Research and Discovery. Buildings and grounds include the ongoing operations and maintenance of the Museum's two facilities. Internal services include 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. Transfer to Foundation includes expenses paid on behalf of the Foundation related to legal and advertising expenses and administrative support.

The total Operating Budget of $37.82 million is planned to be spent as follows:

- $11.30 million in inspiration and engagement which include expenditures related to visitor experience, marketing and media relation and advancement.
- $7.36 million in scientific knowledge and collection care which include expenditures related to collection care and access and research and discovery.
- $5.07 million in internal services which include expenditures related to governance and corporate services, and
- $14.09 million in buildings and grounds that include expenditures related the operation and the maintenance of both buildings.

The impact of reduced capacity and reduced visitation required the Museum to implement cost-reduction measures including suspension of all programming and event activities, reducing fieldwork, cancelling travel and reducing annual investment in temporary exhibits. Partially offsetting these savings are the added costs of social distancing measures, visitor safety, staff safety and facility cleanliness to safely welcome the public based on the guidance from the Public Health Agency of Canada. These added annual expenses include regular maintenance of sanitizing stations to respect social distancing protocols and monthly recurring costs such as additional cleaning staff, security guards, PPE and sanitizing supplies.

The Museum will strive to limit the year-over-year increase of expenses to 1%. The costs of managing the Museum's two buildings have increased since the completion of the renovated VMMB. Buildings and grounds represent 37 percent of total operating expenses. The Museum continues to explore additional facilities cost reduction and control measures in order to minimize the financial impact on its programs.

The budget for visitor experience and public engagement in 2021-22 includes activities in support of education programs, the development of special temporary exhibitions and guest services. Building and strengthening the Museum's special temporary exhibitions program will continue to be a priority. A strong special temporary exhibition program is important to increasing and sustaining strong attendance and revenues. The Museum will also strive to finance in part temporary exhibitions through sponsorships. Another objective is to increase national outreach by expanding the Museum's virtual presence and attracting new audiences through the use of new broadcast technologies and digital strategies.

The budget for scientific knowledge collections care and access in 2021-22 include activities in support of the conservation, management and maintenance of its natural history collections, for which it has developed considerable expertise. In the research area, activities are focused on major areas of interest and relevance to society. The budget includes activities directed towards the discovery of new knowledge, and the gathering and analysis of scientific information to increase the understanding of natural diversity. The Museum will continue to 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.

During 2021-22, the Museum will enhance its digital science outreach to continue to share knowledge with the public, will continue to supervise students seeking experience in collections-based research and will continue to provide digital access to the national collection to scientists, museums and government agencies.

Cost-reductions measures and calls on reserves necessary to balance the budget is expected to affect scientific fieldwork, scientific training of students, collection identification backlog, collections-on-line, content updating, collection digitization, public programming, school programming, domestic travelling, exhibits and science communications.

The budget for buildings and grounds in 2021-22 include activities in support of the management, maintenance and preservation of the Museum's two facilities, the VMMB in Ottawa and the NHC in Gatineau. Budget 2016 provided funding to help the Museum address immediate operational and capital pressures including the gap between established appropriations provided for payments in lieu of taxes (PILT) purposes and the actual amount of PILT being paid, and deferred recapitalization projects, primarily those related to immediate health and safety issue represents. As a result, in 2016-17 the Museum received 4-year funds for health and safety projects and an ongoing increase in appropriation for PILT costs of the VMMB. This, however, does not offset the $1 million in property taxes paid on the NHC. In 2020-21, the Museum is estimating $2.40 million in PILT and property taxes expenditures.

The budget of internal services in 2021-22 include activities in support of the development and implementation of policies, accountability structure, processes and support to all Museum activities through services to oversee the fulfillment of the Museum's mandate, including governance, strategic direction and corporate services. Buildings and grounds include the ongoing operations and maintenance of the Museum's two facilities.