

**NATIONAL GALLERY OF CANADA**  
**QUARTERLY FINANCIAL STATEMENTS**  
**For the three-month period ended June 30, 2025**

**UNAUDITED**

## **MANAGEMENT DISCUSSION AND ANALYSIS OF QUARTERLY FINANCIAL STATEMENTS**

### **For the three-month period ended June 30, 2025**

#### **STRATEGIC DIRECTION**

For 2025–26, the Gallery will continue to focus on five strategic pillars through which it plans to deliver its mandate and realize its mission:

- Strengthen Community Connections Through Transformative Art Experiences
- Build a Collection and Program That Inspire Human Connection
- Empower, Support and Build a Diverse and Collaborative Team
- Centre Indigenous Ways of Knowing and Being
- Invest in Operational Resilience and Sustainability

#### **STATEMENT OF OPERATIONS**

The Gallery posted an operating deficit of \$1.4 million during the three-month period, compared to an operating deficit of \$1.1 million over the same period last year.

The Gallery earned \$2.2 million in operating revenue during the period, on par with operating revenue from the same three-month period last year. While most attendance driven revenues have slightly increased, there was an offsetting decrease related to revenue from co-ownership agreements of \$0.3 million. Investment income declined by \$0.3 million and the items contributed to the Collection have increased by \$4.0 million over the same period last year.

Excluding items acquired for the Collection, the Gallery spent \$15.2 million on operating expenses, compared to \$15.9 million over the same period in the previous fiscal year. The Gallery had notable increases in salaries and employee benefits (\$0.7 million) and notable decreases in professional and special services (\$1.3 million) and travel (\$0.3 million) compared to the same quarter last year.

The Gallery purchased items for the Collection valued at \$3.5 million, compared to \$1.2 million in the first quarter last year. The Gallery was also in receipt of generously contributed items for the Collection valued at \$5.4 million compared to \$1.4 million in the same three-month the previous year.

The Gallery recognized \$14.7 million in Parliamentary appropriations, compared to \$12.9 million in the same period last year, primarily relating to appropriations used for the acquisition of works for the Collection.

#### **FINANCIAL POSITION**

Cash and investments totalled \$28.4 million at the end of June. Of this total, \$18.5 million is for restricted purposes including art purchases, capital purchases, and restricted donations.

The Gallery's unrestricted net assets total \$6.7 million at the end of June.

#### **OUTLOOK**

Along with most Government departments and Crown Corporations, the Gallery is required to participate in the Comprehensive Expenditure Review (CER) to ensure that government spending remains responsible, cost-effective, and focused on delivering results for Canadians. The Gallery is working to prepare its submission to the Department of Canadian Heritage. This submission will include identifying areas for potential savings and a careful assessment of the risks and impacts they may have on its operations and ability to fulfill its mandate.

## STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these quarterly financial statements in accordance with the Treasury Board of Canada's Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports, and for such internal controls as management determines is necessary to enable the preparation of quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all the other information in this quarterly financial report is consistent, where appropriate, with the quarterly financial statements.

Based on our knowledge, these unaudited quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the quarterly financial statements.



Jean-François Bélisle  
Director and CEO

Mike Testa, CPA, CMA  
Chief Financial Officer

Ottawa, Canada  
August 26, 2025

**STATEMENT OF FINANCIAL POSITION**

(in thousands of dollars)

**Assets**

	<b>As at June</b>	<b>As at March</b>
	<b>30, 2025</b>	<b>31, 2025</b>
Current assets		
Cash and cash equivalents	\$ 1,627	\$ 2,002
Investments	8,269	9,440
Restricted investments	18,467	20,346
Accounts receivable	2,127	1,874
Inventory	706	721
Prepaid expenses	465	390
Deposit on items for the Collection	150	216
Total current assets	31,811	34,989
Collection	1	1
Capital assets	57,917	58,497
	\$ 89,729	\$ 93,487

**Liabilities and Net Assets**

Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,912	\$ 3,774
Accrued salaries and benefits	1,440	1,507
Deferred contributions for the purchase of objects for the Collection	3,366	5,046
Deferred contributions for the purchase of capital assets	4,754	4,635
Other deferred contributions	2,380	2,135
Total current liabilities	15,852	17,097
Deferred contributions for the purchase of capital assets	7,851	8,414
Employee future benefits	674	674
Asset retirement obligations	616	616
Deferred contributions for the amortization of capital assets	57,280	57,861
Total liabilities	82,273	84,662
Net Assets		
Unrestricted	6,718	8,087
Investment in capital assets	622	622
Permanently endowed	116	116
Total net assets	7,456	8,825
	\$ 89,729	\$ 93,487

The accompanying notes and schedules form an integral part of the financial statements.

## STATEMENT OF CHANGES IN NET ASSETS

For the three months ended June 30

(in thousands of dollars)

	Unrestricted	Investment in capital assets	Permanently endowed	2025	2024
Net assets, beginning of the year	\$ 8,087	622	116	\$ 8,825	\$ 11,436
Net result of operations for the year	(1,369)	-	-	(1,369)	(1,071)
Remainder of the year	-	-	-	-	(1,540)
<b>Net assets, end of the year</b>	<b>\$ 6,718</b>	<b>\$ 622</b>	<b>\$ 116</b>	<b>\$ 7,456</b>	<b>\$ 8,825</b>

The accompanying notes and schedules form an integral part of the financial statements.

## STATEMENT OF OPERATIONS

(in thousands of dollars)

	Three months ended June 30, 2025	Three months ended June 30, 2024
Revenues		
Operating revenue	\$ 2,163	\$ 2,232
Interest revenue	267	522
Sponsorships and contributions	98	459
Contributed items for the Collection	5,406	1,383
Total operating revenue, sponsorships, and contributions (Schedule 1)	7,934	4,596
Expenses		
Collection		
Operations	2,466	2,504
Purchase of items for the Collection	3,480	1,229
Contributed items for the Collection	5,406	1,383
Total - Collection	11,352	5,116
Outreach	3,762	5,261
Accommodation	5,173	5,179
Internal Services	3,752	2,969
Total expenses (Schedule 2)	24,039	18,525
Net results before Parliamentary Appropriations	(16,105)	(13,929)
Parliamentary Appropriations	14,736	12,858
Net Result of Operations	\$ (1,369)	\$ (1,071)

The accompanying notes and schedules form an integral part of the financial statements.

## STATEMENT OF CASH FLOWS

For the three months ended June 30

(in thousands of dollars)

	<b>2025</b>	2024
<b>Operating activities</b>		
Cash received from clients	\$ 916	\$ 2,619
Parliamentary appropriations received	11,856	12,255
Cash paid to suppliers	(8,536)	(7,931)
Payments related to salary and benefits	(8,275)	(8,665)
Interest received	317	536
Total cash flow from (used for) operating activities	<b>(3,722)</b>	(1,186)
<b>Investing activities</b>		
Acquisition of investments	(12,000)	(15,000)
Disposal of investments	15,000	15,000
Total cash flow from (used for) investing activities	<b>3,000</b>	-
<b>Capital activities</b>		
Payments related to capital acquisitions	(694)	(640)
Total cash flow used for capital activities	<b>(694)</b>	(640)
<b>Financing activities</b>		
Appropriations received for the acquisition of capital assets	250	250
Restricted contributions and related investment income	1,142	1,013
Total cash flow from financing activities	<b>1,392</b>	1,263
<b>Total cash inflows (outflows)</b>	<b>(375)</b>	(563)
<b>Cash and cash equivalents, beginning of the year</b>		
Unrestricted cash and cash equivalents	2,002	7,696
Restricted cash and cash equivalents	-	-
	<b>2,002</b>	7,696
<b>Cash and cash equivalents, end of the year</b>		
Unrestricted cash and cash equivalents	1,627	7,133
Restricted cash and cash equivalents	-	-
	<b>\$ 1,627</b>	<b>\$ 7,133</b>

The accompanying notes and schedules form an integral part of the financial statements.

## **SELECTED NOTES TO THE UNAUDITED QUARTERLY FINANCIAL STATEMENTS**

**For the three months ended June 30, 2025**

### **1. NOTICE TO READER**

These unaudited quarterly financial statements must be read in conjunction with the most recent annual audited financial statements and with the narrative discussion that follows.

### **2. AUTHORITY, OBJECTIVES AND ACTIVITIES**

The National Gallery of Canada (the Gallery) was established on July 1<sup>st</sup>, 1990 by the *Museums Act* as a Crown corporation under Part I of Schedule III to the *Financial Administration Act* and is not subject to income tax under the provisions of the *Income Tax Act*.

The Gallery's mandate as stated in the *Museums Act* is to develop, maintain and make known throughout Canada and internationally, a collection of works of art, both historic and contemporary, with special but not exclusive reference to Canada, and to further knowledge, understanding and enjoyment of art in general among all Canadians.

The Gallery's operations are divided into four mutually supportive activities which work together to meet all aspects of its mandate. These activities are:

#### **Collection**

The Gallery collects Canadian and international art. It conducts research that contributes to the advancement of knowledge and understanding of Canadian and international art. It also preserves its national collection for present and future generations, through restoration and conservation.

#### **Outreach**

The Gallery furthers knowledge, understanding and enjoyment of the visual arts through onsite and travelling exhibitions, which it produces alone, or in partnership with other museums. It lends works of art from the national collection for inclusion in a wide range of special exhibitions produced by other museums in Canada and abroad. It undertakes educational initiatives that contribute to an increased understanding of the visual arts – including tours, lectures, audio and print guides, videos, workshops, in-gallery activities for families, educational programs for children, resources for teachers, and special exhibition-related programming. The Gallery develops a range of art-related content for its website and social media platforms, and produces exhibition catalogues and publications, in print and digital format, contributing to the shared knowledge of art history.

#### **Accommodation**

The Gallery operates from its flagship building on Sussex Drive in Ottawa, manages two leased storage facilities and the Canada Pavilion in Venice, Italy, and occupies space in the Ingenium Centre of the National Museum of Science and Technology Corporation. It ensures that building operations are carried out efficiently, and that sound investments are made in capital infrastructure, so that facilities are secure and suitable for visitors, staff, volunteers and contractors, as well as for the preservation and exhibition of the national collection.

#### **Internal Services**

The Gallery maintains and ensures sound governance, effective financial and human resource management, and revenue optimization, in support of its programs and initiatives.

### 3. BASIS OF PRESENTATION

These unaudited financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS) for government not-for-profit organizations (GNFPO). The Gallery has prepared these financial statements under Section 4200 series of PSAS. Accounting policies and methods of computation in these quarterly statements are consistent with those of the annual financial statements. The Gallery applies the deferral method of accounting for contributions for government not-for-profit organizations.

### 4. TOTAL APPROPRIATIONS AUTHORIZED BY PARLIAMENT

For the fiscal year ended March 31  
(in thousands of dollars)

<b>For operating and capital expenditures</b>	<b>2026</b>	<b>2025</b>
Main estimates	\$ 40,424	\$ 42,020
Supplementary estimates	-	-
	<b>40,424</b>	<b>42,020</b>
<b>For the purchase of items for the Collection</b>	<b>8,000</b>	<b>8,000</b>
<b>Total appropriations authorized by Parliament</b>	<b>\$ 48,424</b>	<b>\$ 50,020</b>

### 5. PARLIAMENTARY APPROPRIATIONS RECOGNIZED AS REVENUE

For the three months ended June 30  
(in thousands of dollars)

<b>For operating and capital expenditures</b>	<b>2025</b>	<b>2024</b>
Main estimates	\$ 10,106	\$ 10,505
Supplementary estimates	-	-
	<b>10,106</b>	<b>10,505</b>
Appropriations deferred for the purchase of capital assets	(250)	(250)
Amortization of deferred contributions related to appropriations	1,200	1,250
	<b>11,056</b>	<b>11,505</b>
<b>For the purchase of items for the Collection</b>		
Main estimates	2,000	2,000
Appropriations recognized from prior years	5,046	6,849
Appropriations deferred to future years	(3,366)	(7,496)
	<b>3,680</b>	<b>1,353</b>
<b>Total Parliamentary appropriations</b>	<b>\$ 14,736</b>	<b>\$ 12,858</b>

## 6. DEFERRED CONTRIBUTIONS

For the three months ended June 30  
(in thousands of dollars)

	Deferred contributions for the purchase of objects for the Collection	Deferred contributions for the purchase of capital assets	Other deferred contributions	2025	2024
Beginning balance, as at April 1	5,046 \$	13,049 \$	2,135 \$	20,230 \$	24,065
Appropriations received in the period	2,000	250	-	2,250	2,250
Other funding	-	-	342	342	366
	7,046	13,299	2,477	22,822	26,681
Amounts recognized as revenue in the period	(3,480)	-	(97)	(3,577)	(1,612)
Related acquisition costs	(200)	-	-	(200)	(200)
Purchase of capital assets in the period	-	(694)	-	(694)	(414)
<b>Ending balance</b>	\$ 3,366 \$	12,605 \$	2,380 \$	18,351 \$	24,455

## 7. DEFERRED CONTRIBUTIONS FOR THE AMORTIZATION OF CAPITAL ASSETS

These amounts represent the unamortized portion of Parliamentary appropriations and donations used to purchase depreciable capital assets.

For the three months ended June 30  
(in thousands of dollars)

	2025	2024
Balance, beginning of period	\$ 57,861 \$	60,279
Acquisition of capital assets	694	416
Amortization of capital assets	(1,275)	(1,325)
Balance, end of period	\$ 57,280 \$	59,370

**SCHEDULE #1: OPERATING REVENUE, SPONSORSHIPS, AND CONTRIBUTIONS**

For the three months ended June 30

(in thousands of dollars)

<b>Operating Revenue:</b>		<b>2025</b>		<b>2024</b>
Boutique and publishing	\$	<b>689</b>	\$	520
Admissions		<b>654</b>		600
Parking		<b>317</b>		333
Memberships		<b>139</b>		134
Rental of public spaces		<b>183</b>		122
Education services		<b>82</b>		28
Art loans		<b>39</b>		84
Travelling exhibitions		<b>20</b>		50
Food services		<b>27</b>		21
Proceeds of co-ownership agreement		-		324
Other		<b>13</b>		16
		<b>2,163</b>		2,232
<b>Interest revenue</b>		<b>267</b>		522
<b>Sponsorships and Contributions:</b>				
Sponsorships		-		-
Contributions:				
Contributed items for the Collection		<b>5,406</b>		1,383
From the National Gallery of Canada Foundation		<b>75</b>		75
From other individuals, corporations and foundations		<b>23</b>		384
		<b>5,504</b>		1,842
<b>Operating revenue, interest revenue, sponsorships and contributions</b>	<b>\$</b>	<b>7,934</b>	<b>\$</b>	<b>4,596</b>

**SCHEDULE #2: EXPENSES**

For the three months ended June 30

(in thousands of dollars)

	<b>2025</b>	<b>2024</b>
Salaries and employee benefits	\$ 8,208	\$ 7,504
Purchased items for the Collection	3,480	1,228
Contributed items for the Collection	5,406	1,383
Amortization of capital assets	1,275	1,325
Payments in lieu of taxes	867	836
Professional and special services	282	1,623
Insurance	317	349
Repairs and maintenance of buildings and equipment	1,287	1,262
Protection services	1,006	982
Utilities, materials and supplies	652	557
Freight, cartage and postage	313	191
Travel for public servants	67	149
Travel for non-public servants	51	266
Hospitality	31	23
Conferences, training and related travel	21	34
Publications	87	170
Cost of goods sold – boutique	243	274
Advertising	119	71
Rent	172	146
Communications	48	47
Library purchases	62	31
Rentals of equipment	23	54
Fellowships	8	5
Miscellaneous	14	15
<b>Total expenses</b>	<b>\$ 24,039</b>	<b>\$ 18,525</b>