

**NATIONAL GALLERY OF CANADA
QUARTERLY FINANCIAL STATEMENTS**

For the nine-month period ended December 31, 2025

UNAUDITED

MANAGEMENT DISCUSSION AND ANALYSIS OF QUARTERLY FINANCIAL STATEMENTS

For the nine-month period ended December 31, 2025

STRATEGIC DIRECTION

For the 2025–26 fiscal year, 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 \$1.1 million during the nine-month period, compared to an operating deficit of \$1.7 million over the same period last year.

The Gallery earned \$6.6 million in operating revenue during the first nine months of the fiscal year. Attendance-driven revenues such as admissions, Boutique sales, memberships, and parking have all slightly increased over the comparable nine months and private event rentals have increased by \$0.25 million. Investment income declined by \$0.7 million, and the value of Contributed items to the Collection (art donations) also decreased by \$4.9 million over the same period last year.

Excluding items acquired for the Collection, the Gallery spent \$46.0 million on operating expenses, compared to \$46.9 million over the same three quarters in the previous fiscal year. The Gallery had an increase in salaries and employee benefits of \$1.4 million, but notable decreases in discretionary expenditures such as professional and special services (\$2.1 million), travel (\$0.3 million), as well as a decrease in building repairs and maintenance and equipment (\$0.4 million).

The Gallery purchased items for the Collection valued at \$6.8 million, compared to \$7.9 million in the first nine months of the prior fiscal year. The Gallery was also in receipt of generously contributed items for the Collection valued at \$6.7 million.

The Gallery recognized \$42.2 million in Parliamentary appropriations, which is slightly lower than the same period last year (\$42.9 million).

STATEMENT OF CASH FLOWS

The decrease in cash received from clients (\$1.1 million) and parliamentary appropriations (\$1.2 million) both include large receivables, some of which were settled in early January. Cash paid to suppliers decreased by \$3.2 million over the comparable period, the Gallery spent \$1.1M less on the acquisition of objects for the collection and continues to reduce all discretionary spending.

FINANCIAL POSITION

Cash and investments totalled \$27.3 million at the end of December. Of this total, \$17.7 million is for restricted purposes including art purchases, capital purchases, and restricted donations.

The Gallery's unrestricted net assets total \$7.0 million at the end of December.

OUTLOOK

The Gallery's operating environment continues to be severely challenged due to inflationary increases in non-discretionary expenditures required to maintain its facilities and safeguard the national collection of fine art. Essential operating expenditures such as building repairs and maintenance, information technology, protection services, payments in lieu of taxes, utilities, and all other costs to deliver an exhibition program continue to increase to unsustainable levels with the Gallery's annual base appropriation levels remaining the same.

The Gallery will be hosting an exciting range of exhibitions throughout this winter season including *Winter Count: Embracing the Cold*, *The Camera in the City*, *Women Carvers on the Northwest Coast*, and the *2025 Sobey Art Award*.

The Canada Strong Pass was first introduced in the summer of 2025, returned for the holiday period from December 12, 2025, to January 15, 2026, and will then return for the summer of 2026. Visitors under the age of 18 or between the ages of 18-24 enjoy free or discounted admission to some of the country's most iconic places, including the National Gallery of Canada.

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
February 20th, 2026

STATEMENT OF FINANCIAL POSITION

(in thousands of dollars)

Assets

	As at Dec 31,		As at March 31,
	2025		2025
Current assets			
Cash and cash equivalents	\$ 1,178	\$	2,002
Investment	8,532		9,440
Restricted investment	17,657		20,346
Accounts receivable	4,171		1,874
Inventory	733		721
Prepaid expenses	364		390
Deposit on items for the Collection	-		216
Total Current Assets	32,635		34,989
Collection	1		1
Capital Assets	57,185		58,497
	\$ 89,821	\$	93,487

Liabilities and Net Assets

Liabilities

Current liabilities

Accounts payable and accrued liabilities	\$ 5,362	\$	3,774
Accrued salaries and benefits	1,358		1,507
Deferred contributions for the purchase of objects for the Collection	3,982		5,046
Deferred contributions for the purchase of capital assets	4,561		4,635
Other deferred contributions	2,272		2,135
Total Current Liabilities	17,535		17,097
Deferred contributions for the purchase of capital assets	6,726		8,414
Employee future benefits	674		674
Asset retirement obligations	616		616
Deferred contributions for the amortization of capital assets	56,548		57,861
Total Liabilities	82,099		84,662

Net Assets

Unrestricted	6,984		8,087
Investment in capital assets	622		622
Permanently endowed	116		116
Total Net Assets	7,722		8,825
	\$ 89,821	\$	93,487

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

STATEMENT OF CHANGES IN NET ASSETS

For the nine months ended December 31

(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	(1,103)	-	-	(1,103)	(1,705)
Remainder of the year	-	-	-	-	(906)
Net assets, end of the year	\$ 6,984	\$ 622	\$ 116	\$ 7,722	\$ 8,825

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

STATEMENT OF OPERATIONS

(in thousands of dollars)

	Three months ended Dec 31, 2025	Three months ended Dec 31, 2024	Nine months ended Dec 31, 2025	Nine months ended Dec 31, 2024
Revenues				
Operating revenue	\$ 2,027	\$ 1,771	\$ 6,644	\$ 6,104
Interest revenue	217	400	717	1,401
Sponsorships and contributions	916	687	2,146	2,663
Contributed items for the Collection	387	433	6,709	11,625
Total operating revenue, sponsorships, and contributions (Schedule 1)	3,547	3,291	16,216	21,793
Expenses				
Collection				
Operations	2,238	2,606	7,014	7,350
Purchase of items for the Collection	2,425	4,799	6,824	7,910
Contributed items for the Collection	387	433	6,709	11,625
Total - Collection	5,050	7,838	20,547	26,885
Outreach	4,561	4,523	12,548	14,116
Accommodation	5,247	5,016	15,653	15,474
Internal Services	3,560	3,200	10,806	9,910
Total expenses (Schedule 2)	18,418	20,577	59,554	66,385
Net results before Parliamentary Appropriations	(14,871)	(17,286)	(43,338)	(44,592)
Parliamentary Appropriations	15,684	16,504	42,235	42,887
Net Result of Operations	\$ 813	\$ (782)	(1,103)	(1,705)

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

STATEMENT OF CASH FLOWS

For the nine months ended December 31

(in thousands of dollars)

	2025	2024
Operating activities		
Cash received from clients	\$ 5,295	\$ 6,442
Parliamentary appropriations received	35,569	36,765
Cash paid to suppliers	(21,844)	(25,015)
Payments related to salary and benefits	(24,975)	(24,836)
Interest received	814	1,479
Total cash flow used for operating activities	(5,141)	(5,165)
Investing activities		
Acquisition of investments	(38,000)	(45,000)
Disposal of investments	41,500	45,000
Total cash flow from (used for) investing activities	3,500	-
Capital activities		
Payments related to capital acquisitions	(2,864)	(1,571)
Total cash flow used for capital activities	(2,864)	(1,571)
Financing activities		
Funding for the acquisition of capital assets	750	750
Restricted contributions and related investment income	2,931	3,024
Total cash flow from financing activities	3,681	3,774
Total cash inflows (outflows)	(824)	(2,962)
Cash and cash equivalents, beginning of the year	2,002	7,696
Cash and cash equivalents, end of the period	\$ 1,178	\$ 4,734

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

SELECTED NOTES TO THE UNAUDITED QUARTERLY FINANCIAL STATEMENTS

For the nine months ended December 31, 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 1st, 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)

For operating and capital expenditures	2026	2025
Main estimates	\$ 40,424	\$ 42,020
Supplementary estimates	2,164	-
	42,588	42,020
For the purchase of items for the Collection	8,000	8,000
Total appropriations authorized by Parliament	\$ 50,588	\$ 50,020

5. PARLIAMENTARY APPROPRIATIONS RECOGNIZED AS REVENUE

For the nine months ended December 31
(in thousands of dollars)

	Three months ended Dec 31, 2025	Three months ended Dec 31, 2024	Nine months ended Dec 31, 2025	Nine months ended Dec 31, 2024
For operating and capital expenditures				
Main estimates	\$ 10,106	\$ 10,505	\$ 30,318	\$ 31,515
Supplementary estimates	2,003	-	2,003	-
	12,109	10,505	32,321	31,515
Appropriations deferred for the purchase of capital assets	(250)	(250)	(750)	(750)
Amortization of deferred contributions related to appropriations	1,200	1,250	3,600	3,750
	13,059	11,505	35,171	34,515
For the purchase of items for the Collection				
Main estimates	2,000	2,000	6,000	6,000
Appropriations recognized from prior years	4,607	7,476	5,046	6,849
Appropriations deferred to future years	(3,982)	(4,477)	(3,982)	(4,477)
	2,625	4,999	7,064	8,372
Total Parliamentary appropriations	\$ 15,684	\$ 16,504	\$ 42,235	\$ 42,887

6. DEFERRED CONTRIBUTIONS

For the nine months ended December 31
(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	6,000	750	-	6,750	6,750
Other funding	-	-	2,020	2,020	2,427
	11,046	13,799	4,155	29,000	33,242
Amounts recognized as revenue in the period	(6,464)	-	(1,883)	(8,347)	(10,335)
Related acquisition costs	(600)	-	-	(600)	(600)
Purchase of capital assets in the period	-	(2,512)	-	(2,512)	(1,347)
Ending balance	\$ 3,982	\$ 11,287	\$ 2,272	\$ 17,541	\$ 20,960

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.

(in thousands of dollars)

	Three months ended Dec 31, 2025	Three months ended Dec 31, 2024	Nine months ended Dec 31, 2025	Nine months ended Dec 31, 2024
Balance, beginning of period	\$ 56,778	\$ 58,465	\$ 57,861	\$ 60,279
Acquisition of capital assets	1,045	510	2,512	1,346
Amortization of capital assets	(1,275)	(1,325)	(3,825)	(3,975)
Balance, end of period	\$ 56,548	\$ 57,650	\$ 56,548	\$ 57,650

SCHEDULE #1: OPERATING REVENUE, SPONSORSHIPS, AND CONTRIBUTIONS

For the nine months ended December 31

(in thousands of dollars)

Operating Revenue:		2025		2024
Boutique and publishing	\$	2,032	\$	1,757
Admissions		1,975		1,832
Parking		1,069		981
Memberships		419		411
Rental of public spaces		686		432
Education services		97		41
Art loans		161		123
Travelling exhibitions		20		50
Food services		136		102
Proceeds of co-ownership agreement		-		324
Other		49		51
		6,644		6,104
Interest revenue		717		1,401
Sponsorships and Contributions:				
Sponsorships		263		100
Contributions				
Contributed items for the Collection		6,709		11,625
From the National Gallery of Canada Foundation		1,035		1,468
From other individuals, corporations and foundations		848		1,095
		8,855		14,288
Operating revenue, interest revenue, sponsorships and contributions	\$	16,216	\$	21,793

SCHEDULE #2: EXPENSES

For the nine months ended December 31

(in thousands of dollars)

	2025	2024
Salaries and employee benefits	\$ 24,825	\$ 23,470
Purchased items for the Collection	6,824	7,910
Contributed items for the Collection	6,709	11,625
Amortization of capital assets	3,825	3,975
Payments in lieu of taxes	2,526	2,487
Professional and special services	1,752	3,838
Insurance	295	349
Repairs and maintenance of buildings and equipment	3,203	3,564
Protection services	3,034	3,062
Utilities, materials and supplies	1,949	1,798
Freight, cartage and postage	1,474	747
Travel for public servants	224	370
Travel for non-public servants	385	554
Hospitality	89	82
Conferences, training and related travel	41	81
Publications and printing	236	353
Cost of goods sold – boutique	924	864
Advertising	320	350
Rent	516	446
Communications	136	138
Library purchases	101	103
Rentals of equipment	91	138
Fellowships	34	36
Miscellaneous	41	45
Total expenses	\$ 59,554	\$ 66,385