



SUMMARY OF THE CORPORATE  
PLAN AND OPERATING AND  
CAPITAL BUDGETS

For 2004-05 to 2008-09

The National Gallery of Canada  
and its affiliate

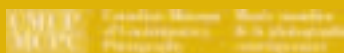
The Canadian Museum of  
Contemporary Photography

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National Gallery of Canada / Musée des beaux-arts du Canada



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## HISTORY

NEXT YEAR THE NATIONAL GALLERY OF CANADA (NGC) WILL BE CELEBRATING THE 125TH ANNIVERSARY OF ITS FOUNDING IN 1880 BY THE THEN GOVERNOR GENERAL, THE MARQUIS OF LORNE, AND THE ROYAL CANADIAN ACADEMY OF ARTS. WITH THE ENACTMENT OF THE 1913 *NATIONAL GALLERY OF CANADA ACT*, THE FEDERAL GOVERNMENT ASSUMED RESPONSIBILITY FOR THE FLEDGLING INSTITUTION. THE GOVERNMENT CONTINUED ITS STEWARDSHIP THROUGH SUCCESSIVE ACTS OF PARLIAMENT, CULMINATING IN THE *MUSEUMS ACT* OF JULY 1, 1990, WHICH ESTABLISHED THE GALLERY AS A CROWN CORPORATION. IN 1985, FURTHER LEGISLATION CREATED THE CANADIAN MUSEUM OF CONTEMPORARY PHOTOGRAPHY (CMCP) AS AN AFFILIATE OF THE NATIONAL GALLERY OF CANADA.

(In this summary, unless otherwise specified, the terms “the National Gallery of Canada” and “the Gallery” include the CMCP.)

## MANDATE

*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. (Museums Act, 1990, c.3)*

The CMCP also continues to address the mandate of the National Film Board's Still Photography Division from which it was originally formed: *to collect, interpret and disseminate Canadian contemporary photography, both as an art form and as a form of social documentation.*

## MISSION

*The strength of the National Gallery of Canada lies in its collections of art, especially Canadian art, and its accessibility to the public across the country. The collections open the way for appreciation of the finest in artistic expression, with works of art that reveal the past, celebrate the present, and probe the future. The collections must be expanded, preserved, interpreted and used to the utmost by the public for pleasure and understanding, for research and the advancement of knowledge.*

## VISION

*The National Gallery of Canada strives to provide Canadians with a sense of identity and pride in Canada's rich visual arts heritage. Through its collections, on-site and travelling exhibitions, educational programs and publications, professional training programs and on-line initiatives, the Gallery aspires to be a model of excellence in furthering knowledge in the visual arts, both at home and abroad. Through its collaboration with national and international institutions, the Gallery seeks to make art accessible, meaningful and vital to diverse audiences of all ages.*

## VALUES

### **Accessibility**

Programs are developed with the public in mind – not only visitors to the Gallery, but all Canadians.

### **Excellence and Scholarship**

The Gallery builds upon the high standards it has attained over the years in all its endeavours, from research to acquisitions, exhibitions, publications and public programs.

### **Corporate Citizenship**

The Gallery meets its public policy and legal obligations.

### **Leadership**

The Gallery acts as a recognized leader in the national and international art museum communities.

### **Collaboration**

The Gallery collaborates with the network of art museums in all regions of Canada and abroad, and with its partners in the Government of Canada.

## CORPORATE STRUCTURE

Under the *Museums Act*, the Gallery's Board of Trustees serves as its governing body, reporting to Parliament through the Minister of Canadian Heritage. The 11 members of the Board are appointed by the Governor-in-Council to represent all regions of the country. They provide strategic direction and oversight to the Gallery, with the assistance of six committees: an executive committee; an acquisitions committee; an advisory committee for the CMCP; an audit and finance committee; a public programs committee; and a governance committee.

The Board of Trustees delegates authority for the day-to-day management of the Gallery to the Director of the National Gallery, who is supported by two Deputy Directors and six Directors.

The NGC and CMCP together employ 310 permanent and term staff (252 full-time, 19 part-time, and 39 on-call employees). The Gallery also benefits from over 37,000 hours of work contributed each year by 275 dedicated volunteers who assist it in a wide range of activities.

## FACILITIES

The Gallery's real property holdings consist of the Gallery's flagship building at 380 Sussex Drive, which opened its doors to the public on May 21, 1988; the Canadian Museum of Contemporary Photography at 1 Rideau Canal (leased from the National Capital Commission), which was opened to the public on May 6, 1992; an off-site art storage facility; and the Canada Pavilion in Venice, which is Canada's site at the Biennale.

The Gallery's public spaces include 110 exhibition galleries, plus the Rideau Chapel, a Library, a 400-seat auditorium, a 90-seat lecture hall, a cafeteria, a café, an outdoor amphitheatre, a Bookstore, seminar rooms, studio/workshop spaces and two levels of indoor parking. Other facilities include conservation laboratories, multimedia and photography workshops, art and non-art storage, security control rooms, workshops and offices.

The CMCP's facilities include public spaces on several levels, a flexible exhibition space, a 50-seat theatre and a boutique, as well as workshops and offices.

## COLLECTIONS

The National Gallery of Canada's collection of Canadian art, assembled since 1880, is the most comprehensive and important in existence. The Gallery also has a fine collection of Western European art dating from the late Middle Ages to the present, which helps place Canadian art in its broader context by demonstrating the influences on and evolution of the visual arts in Canada.

The Gallery's collections consist of over 35,000 works of art, acquired either by purchase or as gifts. About 1,200 of the most significant of these works – over 30% of its paintings and sculptures – are on view at any one time in the Permanent Collection galleries.

The CMCP holds approximately 160,000 images, of which 144,000 are negatives or transparencies and 16,000 are prints. Works in the collection are featured in its galleries in a program of rotating exhibitions.

Between 800 and 1,200 of the NGC's and the CMCP's works of art are on loan each year, mostly to public art galleries across Canada and abroad.

In addition to art, the Gallery acquires research materials. Its Library is the custodian of the largest collection in Canada of research materials devoted to the history of the visual arts.

## FINANCIAL RESOURCES

The Gallery receives an annual appropriation from the Government of Canada, which it supplements through its own revenue-generating activities. It also receives funds from the National Gallery of Canada Foundation which raises money in support of the Gallery, mainly to build a capital endowment but also to secure private funding for special projects.

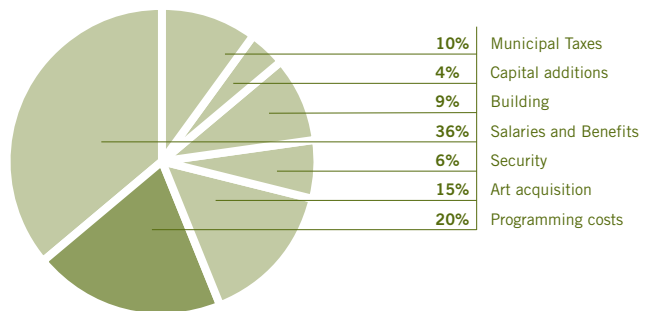
For the year 2004/05, the Gallery's resources will total \$52,360,000, of which \$44,585,000 (85%) will be funded by parliamentary appropriations. The balance of \$7,775,000 (approximately 15% of the total requirement) represents gross revenues and contributions the Gallery anticipates generating itself in the coming year.



The Gallery has certain fixed costs that must be met every year, as can be seen from Figure 1 below. They represent 80% of its expenditures. All other Gallery activities, such as on-site and travelling exhibitions, electronic outreach, educational programming, publications, library acquisitions, collections management and administrative activities, must be met out of programming costs – just 20% of the Gallery’s overall budget.

The acquisitions budget, which the government increased in 2003/04 from \$6 million to \$8 million a year, is managed through a special account. Any balance in the account at year-end is kept for purchases in subsequent years.

### Fixed vs Programming Costs 2004–2005

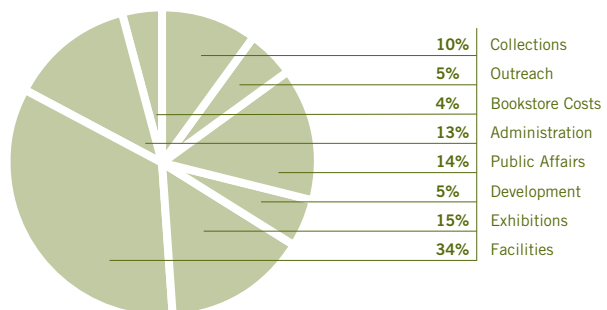


## MAIN ACTIVITIES

The Gallery addresses its mandate through seven major activities: Collections and Research, Exhibitions, Outreach, Public Affairs, Development, Facilities, and Administration.

Figure 2 illustrates the planned expenditures in each area. The largest proportion of the Gallery’s resources (34%) is devoted to maintaining and repairing its facilities. The combined resources of its Outreach and Public Affairs activities (19%) represent the total allocated to the Gallery’s priority of reaching a broader and more diverse Canadian audience, an increase of 2% from the 2003/04 Plan.

### Expenditures by Activity (excluding art Purchases) 2004–2005



### **Collections and Research**

The Collections and Research activity is at the core of the Gallery's mandate. It includes acquisitions, restoration and conservation, the Library, the Fellowship program and collections management. The collections preserve the country's heritage for future generations, and are the source of its research, its exhibitions in the National Capital, its travelling exhibitions and its loans to other galleries across the country and abroad. The research materials, housed in the Library and available on-line, serve as an important source of information for curatorial staff, researchers and scholars. They are available to the general public on site and through educational institutions, libraries and art museums throughout Canada.

Acquisitions build on the strengths and fill gaps in the Gallery's collections. The Gallery's curatorial staff must be constantly on the lookout for opportunities for acquisitions in all collecting areas. Curators must also undertake research to assure the authenticity, provenance, quality and historical importance of works in the collections and proposed for acquisition. This scholarly research is vital to the Gallery's reputation for excellence as an educational institution in Canada and internationally. Its findings are available to scholars, art museums and the public.

The scrupulous conservation practices of the Restoration and Conservation Laboratory staff enhance the longevity of the works and ensure that they will endure for the appreciation of future audiences, the public and scholars alike.

Collections Management is responsible for the documentation, storage and ongoing inventory of the works, management of the Gallery's loan program, and insurance and indemnification.

### **Exhibitions**

Exhibitions and installations are the main ways the public has direct access to the Gallery's collections. The Exhibitions activity manages the design and installation of the permanent collections and special exhibitions presented at the Gallery and of its travelling exhibitions. The Gallery's Travelling Exhibitions Program is the largest of any art museum in North America, and reaches a broad range of institutions, including those in small and remote communities.

The Gallery's objective is to offer visitors to its facilities and other venues in Canada and abroad a stimulating and balanced exhibition program that presents works of art in different media and from different periods and cultures.

The exhibitions program also includes the Gallery's multimedia and copyright management programs. Through these activities, works are made accessible to the public in exhibitions and through CyberMuse, the Art Museum Image Consortium, SchoolNet, and the Canadian Heritage Information Network.

## **Outreach**

The goal of the National Outreach and International Relations activity is to foster broad access nationally and internationally to the Gallery's collections, exhibitions and expertise. This activity reflects the priority the Gallery gives to developing partnerships with art museums in Canada and abroad, connecting Canadians in different regions of the country and engaging a broader audience.

Gallery staff visit museums and arts communities across Canada to gain a clearer understanding of their needs, to promote the sharing of the national collections through travelling exhibitions and loans, to encourage collaboration through the co-production and circulation of exhibitions organized by Canadian galleries, and to increase awareness of professional and training opportunities at the Gallery (fellowships, internships, apprenticeships, guest curatorships, etc.)

## **Public Affairs**

The objective of Public Affairs is to further knowledge, understanding and enjoyment of the visual arts among all Canadians and to make the collections better known in Canada and abroad.

Its Education and Public Programs division encourages lifelong learning among people of all ages and backgrounds, at all levels of capacity, mastery and interest. It designs educational programs for schools, families, youth, adults, seniors and people with disabilities.

CyberMuse, the Gallery's on-line educational tool, features the works and artists represented in the permanent collections and targets children, youth and teachers. The site offers information on and insight into the world of artists and their work, providing over 9,000 images, panoramic views of the galleries, audio and video presentations and a growing number of artist interviews and biographies.

Through scholarly publications and catalogues, the Publications division documents the Gallery's exhibitions, holdings and research, and plays a vital role in helping the Gallery reach a broad and dispersed audience in Canada and abroad.

The Marketing and Communications division is responsible for enhancing the Gallery's image and reputation and promoting its activities, through media and community relations, advertising, promotions, tourism and the Web.

## **Development**

The Development activity has three divisions that work to develop long-term relationships with individuals and corporations, with a view to generating private-sector revenue in support of the Gallery's mandate.

The Membership and Annual Giving division organizes and maintains a body of supporters with strong interest in the Gallery and commitment to its future, and raises funds for the Gallery in the form of membership fees and donations.

The Sponsorship division solicits and secures direct financial and in-kind support for Gallery activities, exhibitions and special events, and develops long-term relationships with the business community.

The Special Events and Rentals division manages the use of the National Gallery's unique public spaces in a manner that enhances the Gallery's beauty, engages new audiences, supporters and members and raises additional funds.

### **Facilities**

The Facilities activity ensures that the Gallery's facilities are secure, suitable for the preservation and exhibition of the national collections, readily accessible to the public, and safe for both visitors and employees.

The Facilities Planning and Management division is responsible for everything to do with the Gallery's buildings and associated property, from telecommunications to food services and parking.

Security at the Gallery must ensure the safety of the collections, visitors and staff without interfering with the public's access and enjoyment. This is made possible through a balance of physical presence (security guards), electronic surveillance (cameras, digital video recording) and equipment (such as delayed egress bars).

### **Administration**

The Gallery's Administration provides direction, control and effective management of resources. The Administration function includes management of human, financial, technological and information resources, the Gallery's relationship with the Board and its interactions with government. The Administration activity also oversees the Gallery's statutory and legal obligations.

## **ENVIRONMENTAL SCAN**

The Corporate Plan for the period 2004/05 to 2008/09 is based on an analysis of the extent to which the Gallery has met the objectives established in the 2003/04 to 2007/08 Plan and on an assessment of the external and internal environments in which it will be operating during the next planning period. A number of major challenges and opportunities have been identified.

### **THE EXTERNAL ENVIRONMENT**

Last year's Corporate Plan identified four key external factors which could affect the Gallery's ability to fulfill its mandate, respond to government priorities and achieve the objectives established in the Plan. They were: the state of the economy, the priorities established by the government, the demographic makeup of the Canadian population and the nature and speed of technological change. While many of the trends underlying the four factors have remained unchanged, there have been some significant shifts that will have an impact on the Gallery's performance.

### **Economic Conditions**

Domestic and international events in 2003 resulted in less favourable economic performance than had been predicted at the beginning of the year and a significant decline in tourism. Although GDP growth is forecast to reach 3% annually during the planning period and indications are that tourism could recover in 2004, the sustainability of the U.S. economic recovery and the extent and speed of the appreciation of the Canadian dollar raise uncertainties about Canada's short and mid-term economic performance. However, longer-term projections for tourism anticipate growth given the size of the ageing – and relatively affluent – baby boom generation.

Prices in the world art market continue to climb. Of particular note, prices for contemporary photography almost doubled between December 1997 and June 2003. Escalating prices reduce the Gallery's ability to make acquisitions, although they are partially offset by the current strength of the Canadian dollar.

### **Government Policy**

The federal government remains committed to maintaining a balanced budget and paying down the national debt. To ensure that government spending remains under control and is closely aligned with evolving priorities, the government has announced a review of all programs and expenditures, a freeze on most large capital projects and a determination to fund new initiatives through the reallocation of money from existing programs.

The federal government has also made clear its intention to be more open, accountable and responsive to the population and to provide clear guidance and better enforcement of the standards expect of elected officials and federal employees.

At the provincial and municipal levels, budget cuts have resulted in the reduction or elimination of arts programming in the school system and have led to increased demands on public art museums.

### **Demographics**

Close to 30% of Canada's population will be in its fifties during the planning period. The "greying" of the population brings with it an opportunity to tap into a large potential market of retirees with a preference for experiential travel.

At the same time, those born between 1977 and 1995 form a growing segment of the population. Young adult travellers are expected to seek more action or entertainment-oriented venues and exploratory experiences in their travel and leisure activities.

Also of importance are the per capita growth in Canada's immigrant population and the shift in immigrant intake to non-white, non-European countries. In Canada's largest urban centres, visible minorities represent over 50% of the population.

### **Technological Change**

Canada continues to be one of the most "connected" countries in the world. In 2002, more than seven million households had at least one member who used the Internet regularly. An estimated 2.2 million Canadian households spent almost \$2 billion shopping on the Web in 2001, placing 13.4 million orders over the Internet.

While the potential for successful e-commerce activities is obvious, the Gallery like other organizations that rely heavily on technology must be constantly vigilant against viruses, spam and hackers.

### **THE INTERNAL ENVIRONMENT**

Four internal factors will affect the Gallery's ability to achieve its objectives during the planning period: labour relations at the Gallery, the Gallery's capacity to recruit and retain staff, the level of available resources, and a serious space shortage.

**Labour Relations**

In 2001, the Gallery negotiated new collective agreements with PIPSC and PSAC. The contract between the Gallery and PSAC expired in June 2003 and negotiations on a new agreement began in September 2003. The Gallery is optimistic that a mutually acceptable agreement will be reached. The PIPSC agreement will expire in 2005.

**Staff Retention and Recruitment**

During the planning period, 28% of the Gallery's employees - 50% of the management group - will be in a position to retire. Given the highly skilled and professional nature of the Gallery's work, ways must be found to keep older workers on the payroll while a new generation is trained to replace them. Renewed job classifications, enhanced compensation and openness to diversity are among the required approaches, although the first two will depend on additional government support.

**Gallery Resources**

During the past year, the government approved an increase in the Gallery's acquisitions budget of \$2 million, bringing it to a total of \$8 million annually, and provided an additional \$1 million annually to help sustain the Gallery's outreach programs. This additional funding has allowed the Gallery to continue strengthening its collection, conducting research on art history, and reaching out to more Canadians through its travelling exhibitions.

However, the resolution of other financial issues is vital to the Gallery's ability to meet its mandate. The Gallery faces critical pressures resulting from inflationary erosion of its budget; increased building operating and recapitalization costs; serious space shortages; and outdated classification and compensation systems. The Gallery has no capacity to earn sufficient revenues or to reallocate existing funding to address these issues and will have to seek additional funding from the government.

**Facilities**

To address its serious shortage of art storage, education and exhibition programming space, the Gallery commissioned a study in 2002 to define its long-term space needs. The results of the study were submitted to the Treasury Board Task Force launched in 2003 to review the fixed capital assets of federal cultural organizations. The Government subsequently announced that the work of the Task Force will be integrated into a review of all expenditures and the Gallery is hopeful the review will result in financial assistance to maintain and recapitalize Gallery facilities.

## ASSESSMENT OF RESULTS ACHIEVED IN 2003–04

The Corporate Plan for the period beginning in 2003/04 included four key objectives through which the Gallery would deliver on its mandate. In the first nine months of the fiscal year, the Gallery worked aggressively to deliver on its mandate and made significant progress against the plan established last year, as can be seen from the following highlights. Overall, as of the third quarter, the NGC and the CMCP are on track to meet most of their key goals for the fiscal year. Current projections are that total revenues will exceed the original forecast, despite such unforeseeable difficulties as the blackout in the summer of 2003. The Gallery expects to end the year with a balanced budget.

### HIGHLIGHTS OF 2003/04

The National Gallery of Canada endeavoured to achieve its four objectives for 2003/04, through a variety of strategies. The following overview indicates the results each strategy had produced as of December 31, 2003.

#### OBJECTIVE 1

To acquire, preserve, research and record historic and contemporary works of art, both national and international, to represent Canada's visual arts heritage

##### STRATEGY 1

To acquire works of art of outstanding quality

The government approved an additional \$2,000,000 for acquisitions and the National Gallery Foundation raised \$84,000. With this money the Gallery and CMCP were able to acquire some outstanding works of art. As at December 31, 275 acquisitions were either pending or approved, including *Head of Giulio Contarini* after Alessandro Vittoria by Tiepolo (c.1743), and additional First Nations and Inuit Art holdings. Significant bequests and donations were among the acquisitions.

##### STRATEGY 2

To maintain and protect the national collections and works of art loaned to the Gallery

At the NGC, all works loaned to other institutions (971) and all works in exhibitions (1,970) were examined and, where necessary, treated. At the CMCP, all original film (144,300 items) was surveyed and re-packaged in preparation for cold storage. Existing storage space was more efficiently organized and agreement was obtained to pursue with other members of the Canadian Heritage Portfolio possible off-site storage options.

### STRATEGY 3

#### Research and document the Gallery and CMCP Collections

Four exhibitions, highlighting original scholarship and research by NGC curators, were on display during the period, including *Dutch and Flemish Drawings from the NGC*, *A Beautiful and Gracious Manner: The Art of Parmigianino*, and *Manufactured Landscapes: The Photographs of Edward Burtynsky*. The Gallery co-published *The Treasures of the National Gallery of Canada* with Yale University Press to make the Gallery's collections and research available to a broader audience, produced numerous catalogues and published a number of articles in scholarly journals and in *Review*, its own publication. Data from over 14,5000 records on the CMCP's collection were upgraded, and MultiMimsy entries were made for 1,000 images. Seven fellowships were awarded (up from five the previous year) in Canadian Art, European Art, the History of Photography and Art Conservation.

### OBJECTIVE 2

To further knowledge, understanding and enjoyment of the visual arts among all Canadians and to make the collections known both in Canada and abroad

### STRATEGY 1

#### Develop an outstanding exhibition and installation program

By the end of calendar 2003, the NGC had opened and produced catalogues for eight special exhibitions in the National Capital Region Program, ranging from Dutch and Flemish drawings of the Late Renaissance through French genre painting and the art of Parmigianino to Inuit drawings. A special exhibition of 100 Aboriginal works of art and artefacts was complemented by the CMCP's exhibition of photographs by Mohawk artist Shelley Niro. The CMCP's other special exhibitions showcased the works of Bill Vazan, Melvin Charney, and Marcus Schubert. Attendance on-site was lower than anticipated due to a combination of external factors, but the majority of visitors indicated a high level of satisfaction (an average of 9.2 out of a possible 10 for gallery services generally). By the end of the third quarter, attendance at teacher and student programs had exceeded projections for the entire year, and survey responses demonstrated that participants were very pleased with their experiences. Volunteers reached more than 20,000 school children in grades 1 to 6.

### STRATEGY 2

#### Engage a more diverse audience

The Gallery's offerings in 2003 reflected its commitment to serving Canadians of all ages and backgrounds. In addition to the range of special exhibitions referred to above, children were a major focus: the *Artissimo* program had 12,902 participants as at December 31, *The Family Fundays* attracted approximately 2,710 persons, and the CMCP's summer day camps were sold out. (They attracted 98 children, including 23 from low-income families, whose participation was made possible by a private donor.) Attendance at the Teen Council workshops was strong and feedback from participants was very positive.

In December, the Gallery launched a new program of Celebration Workshops to celebrate Diwali, Hannukkah, Eid and other significant cultural and religious seasons.



**STRATEGY 3****Increase the availability of the collections across Canada; enhance the visibility of Canadian art abroad**

Fourteen new exhibitions were added to the travelling program, bringing to 32 the total available to galleries across Canada. The exhibitions, including Ken Lum and Inuit and First Nations artists, have been booked in 33 venues in 9 provinces. *The Body Transformed*, which was launched in the summer of 2003 at Shawinigan's Cité de l'Énergie attracted 58,800 visitors, much higher than originally forecast. In total, the Gallery expects 331,000 visitors to its exhibitions outside the NCR, 22,000 lower than forecast. Among the exhibitions travelling outside Canada was *Manufactured Landscapes*, which was shown in Finland.

The Gallery's Web site strategy is on track, with the NGC site renewed in June 2003 and the redesign of the CMCP site in the planning stage. CyberMuse continued to surpass expectations, with 386,107 user sessions by December 31, as opposed to a projected 200,000. The number of searches on the library's catalogue nearly tripled, to 95,547.

**STRATEGY 4****Increase partnerships and collaboration with other institutions and Canadian art museums**

The Gallery continues to collaborate extensively on upcoming exhibitions with Canadian and international partners, in Vancouver, Edmonton, Quebec City, Philadelphia, London and Paris among other centres. A new partnership was initiated with the Woodland Cultural Centre in Brantford, a Six Nations institution. The Gallery showcased in Ottawa exhibitions organized by other Museums, including the Glenbow Museum, Museum London, Musée national des beaux-arts du Québec and le Musée d'art contemporain de Montréal. The Gallery also co-produced several catalogues, helped to manage Canada's participation in the 2003 Venice Biennale, and sent curators and senior staff to some three dozen museums and galleries in Canadian cities and towns to cement relationships with the arts communities there.

**STRATEGY 5****Collaborate with members of the Canadian Heritage Portfolio**

Gallery representatives have been working with portfolio partners to revise or update policy in a number of key areas, including arts policy, taxation policy relating to gifts to museums, the *Copyright Act*, the Canada Indemnification Program and diversity. The Gallery also collaborated on important Canadian events like Heritage Day, Museums' Day, the Canada Day celebrations and the Juno Awards, and participated in various international events organized by Foreign Affairs, the National Library and the Canada Council.

**STRATEGY 6****Play a leadership role in creating opportunities to share the Gallery's expertise with other institutions**

The TD Bank Financial Group has agreed to sponsor four paid internships annually for a period of five years in the areas of Art Education and Public Programs, Museum Collections Management, Art Librarianship and Library Preservation Technology. An orientation week was held for 13 representatives of different Canadian museums. The Gallery made five speakers available to talk to the public on a wide range of Gallery and art-related topics, and the CMCP provided lecturers for photography students and jurors for peer reviews.

**OBJECTIVE 3**

To provide direction, control and effective development and administration of resources.

**STRATEGY 1****Strengthen governance at the Gallery**

The Board approved revisions to the Loans Policy and the Research Policy during the course of the year, and approved the Audit Plan for the year. Trustees were regularly briefed on audit findings, action plans and follow-up. The Gallery completed a risk assessment and implemented mitigation activities. New performance measures and targets were developed as part of the 2004/05 to 2008/09 Corporate Plan.

**STRATEGY 2****Strengthen the work environment at the Gallery and CMCP**

The Gallery is developing a Human Resources Framework which is targeted for completion by the end of the fiscal year. The Parity Committee, a management-union committee, was reconstituted and made significant progress on a new classification system. Once job descriptions have been updated and assessed and the impact of reclassification is known, the Gallery will approach the government for funding to introduce the new classifications.

To ensure employees are informed and involved, the Gallery produced an internal newsletter every two weeks, increased the number of “all staff” e-mails on key information and events, and made all corporate policies available on-line. All staff received a summary of the Corporate Plan and was offered information sessions on the Plan. Dedicated phone access was introduced to provide information to staff during crisis situations. The Gallery also introduced a number of new initiatives for employees, including pre-retirement planning sessions, free flu shot clinics and special health and wellness days.

**STRATEGY 3****Increase and broaden the Gallery’s revenue base**

The Gallery anticipates that overall revenue for the year will reach \$7,597,000 and exceed forecasts by approximately \$257,000, even though commercial revenues were down due to attendance at exhibitions in the NCR. Thanks to the efforts of the National Gallery Foundation and Development staff, private-sector support for specific art and educational projects is expected to exceed forecasts by \$464,000 and revenues from special events rentals are anticipated to exceed plan by \$190,000.

**STRATEGY 4****Ensure the Gallery operates effectively and efficiently**

Work began in October 2003 on the development of a revised planning, budgeting, monitoring and reporting cycle that will ensure that operational plans fully reflect the Gallery’s Corporate Plan. A Steering Committee was struck to guide the development and implementation of the cycle. The Gallery has begun developing a strategy to ensure relevant policies and life cycle management practices are in place for all records, including electronic records and intellectual property.

**STRATEGY 5****Provide effective and efficient services in support of the Gallery's mandate**

A five-year technology growth and maintenance plan is currently being developed and will be completed by March 2004. The three-year IT plan was fully implemented, and the Gallery significantly strengthened network security and successfully protected itself from all viruses, spam attacks, hackers and other threats.

**OBJECTIVE 4**

To provide secure and suitable facilities, which are readily accessible to the public, for the preservation and exhibition of the national collections

**STRATEGY 1****Safeguard the collections and works of art entrusted to the Gallery, and ensure a safe environment for staff and visitors**

The Gallery upgraded its security precautions in all galleries and tightened vault access security. The Crisis Management Plan (for bomb threats, fire evacuations, etc.) was updated, all crisis coordinators and senior management were briefed on the plan, and key components of the plan were tested. The IT Disaster Recovery Plan will be finalized by the end of the fiscal year.

**STRATEGY 2****Ensure that the Gallery's staff, collections, programming and administrative functions are housed in suitable facilities that are readily accessible to the public**

The Gallery completed all cyclical maintenance in the permanent galleries as planned, Phase I of the parking repairs, Phase VI of the roof replacement project and developed a master plan for the systematic replacement of all NGC windows and skylights. A plan was finalized and additional work was undertaken to make all interior spaces fully accessible to disabled visitors and staff.

## STRATEGIC ISSUES FOR THE PLANNING PERIOD

The Gallery has a number of key strengths, most notably its staff, its fine collections of Canadian and international art, its architecturally magnificent facilities, and a reputation for creative exhibitions, publications and educational programming.

These strengths have served the Canadian public well in past years. They have allowed the Gallery to advance knowledge of the fine arts in Canada and the world, to bring exhibitions of extraordinary quality to Canadians in every region of the country, and to reach out on-line to Canadians in their homes and their schools.

However, the environment within which the Gallery will be operating presents some significant challenges. Continued progress in addressing the human resource, financial and facilities issues facing the Gallery are key to carrying out the Plan successfully. The Gallery has identified three major issues it needs to address to continue delivering on its mandate:

### **Reflecting and Engaging a More Diverse Population**

The fact that nine million Canadians will soon reach their early fifties, the age of the Gallery's traditional audience base, means that the Gallery will be able to engage more of this age group in the study and enjoyment of the visual arts. But there are other groups the Gallery wishes to attract in greater numbers, and it is developing strategies to achieve this goal across the entire spectrum of the Gallery's activities. The strategies will be implemented starting in the first year of the planning period.

### **Maintaining a Strong Workforce**

The Gallery is well aware that people are a critically important resource. It needs to complete the development and implementation of a comprehensive human resources framework that will support management's efforts to strengthen the work environment and maintain a strong workforce in the future. It is also crucial that the Gallery update its classification and compensation systems.

### **Sustaining Financial and Operational Viability and Accommodating Growth**

As illustrated in Figure 1 on page 7, over 80% of the Gallery's budget is earmarked for fixed or relatively fixed expenditures in 2004/05, 1% more than in 2003/04.

The Gallery no longer has any flexibility to manage its rising fixed costs by reallocating from within its "discretionary" budget, i.e., the remaining 20% of its budget from which it must fund part of its salary costs and all of the activities that it must provide as Canada's National Gallery. Lack of inflation protection alone is eroding the purchasing power of the Gallery's operating budget by about \$800,000 per year.

The Gallery will continue to identify additional private-sector revenues, donations and sponsorships and pursue them vigorously. It will also be exploring the opportunities inherent in the growth of e-commerce. However, given the magnitude of the pressures that face the Gallery, it will not be able to raise the funds it requires from private sources.

## OBJECTIVES, STRATEGIES, ACTIVITIES AND PERFORMANCE MEASURES FOR 2004–05 TO 2008–09

The previous sections have established the context in which the Gallery will be operating over the foreseeable future.

The following section outlines:

- the key objectives the Gallery has established to guide its strategies, activities and operational plans;
- the strategies the Gallery intends to pursue to meet each objective;
- the activities each strategy involves; and
- performance indicators for measuring each strategy's success.

Given the nature of the Gallery's function, it is not always possible to quantify performance measures. But to the greatest extent possible, the Gallery has tried to identify quantifiable measures that, in combination with other more qualitative assessments, will allow it to assess its progress and account to the people of Canada for the extent to which it has:

- strengthened, preserved, researched and managed the collections;
- furthered the public's knowledge, understanding and enjoyment of the arts;
- managed the resources entrusted to the Gallery wisely; and
- provided safe and accessible facilities and safeguarded both the art in the Gallery's care and intellectual property.

### OBJECTIVE 1

To acquire, preserve, research and record historic and contemporary works of art, both national and international, to represent Canada's visual arts heritage.

At the heart of the Gallery's work is its mandate to develop a historical and contemporary record of Canada's national and international visual arts heritage, preserve the collections for future generations, and provide a resource both for scholars of art history and for the public.

### STRATEGY 1

**Acquire works of outstanding quality**

The Curators will look for works of art of the highest quality, and in the best possible condition, that build on the strengths and fill gaps in the Gallery's collection. First Nations, Inuit and non-Western art will be priorities. Private funding will be sought for acquisitions.

### Performance measures:

100% of acquisitions will reflect the Gallery's Acquisitions Policy. Private contributions and donations will be increased.

**STRATEGY 2****Maintain and protect the national collections and works loaned to the Gallery**

Works will be audited annually for condition and integrity. Vault access will be monitored.

**Performance measures:**

The Gallery's systems will ensure complete physical control of all works of art at all times. Procedures for vault access will be strengthened. 100% of all works on display or on loan (approx. 4,000 annually) will be examined and, if necessary, treated. Others will be treated subject to funding (target: 42 a year by the end of the planning period).

**STRATEGY 3****Research and document the NGC and CMCP collections**

The Curators will undertake research, publish their findings, and continue to investigate works whose provenance during the war years is uncertain. Scholarship opportunities will be expanded, and the accuracy and completeness of documentation on the collections will be enhanced. New MultiMimsy modules will be created, to reflect operating requirements.

**Performance measures:**

At least one scholarly publication on the permanent collections will be produced every two years. The number of articles, papers and lectures will be maintained. Endowed fellowships will be increased from two to five over the period. Between 2,000 and 2,500 current imprints will be added to the Library every year.

**OBJECTIVE 2****To further knowledge, understanding and enjoyment of the visual arts among all Canadians and to make the collections known both in Canada and abroad.**

Through exhibitions, publications and educational and electronic programs, the NGC and the CMCP strive to reach as wide an audience as possible. Canadian demographics are changing rapidly and the government has committed to strengthening Canada's social foundation – in part by ensuring that its policies and programs reflect the diverse needs and interests of a wide range of groups in society. In keeping with this objective, the Gallery will develop and implement a strategy to engage a more diverse audience, as well as enhance existing programming for disabled children and children from disadvantaged backgrounds.

**STRATEGY 1****Offer an outstanding exhibition and installation program**

Develop and deliver a rich and varied calendar of exhibitions that affirms the importance of Canadian art. Seek the opinions of visitors and partner institutions.

**Performance measures:**

Exhibitions will reflect the Gallery's Exhibitions Policy which requires that the exhibitions program be balanced, reflect the breadth of the collections and advance knowledge and appreciation of art history. Attendance will reflect annual forecasts (see page 22), and the Gallery will track repeat visitors, an indicator of its ability to engage its audience.

**STRATEGY 2****Offer an outstanding publishing program**

The program will include research, exhibition catalogues, electronic material and brochures.

**Performance measures:**

The appropriateness of a publication's quality will be measured against peer reviews, the ability to attract co-publishers and sales, depending on the type of publication.

**STRATEGY 3****Offer a rich calendar of educational programs**

Optimize the impact of the Gallery's school, public and other programs, including CyberMuse. Ask teachers about their level of satisfaction with the programming.

**Performance measures:**

Participation in educational programming will be measured by numbers of students involved, whether on-site or in schools, and by the number of audioguides used. A comprehensive Educational Programs Policy will be submitted to the Board in 2005/06.

**STRATEGY 4****Engage a more diverse audience**

The Gallery's traditional visitor base will be broadened to attract younger people and more new Canadians. Audioguides will be made available in additional languages; exhibitions will be targeted to specific cultural groups; and more educational programs will be tailored to those with special needs.

**Performance measures:**

Visitors will be surveyed to determine diversity. Use of the multi-lingual audioguides will be measured. One to two exhibitions a year will reflect the changing demographics of Canadian society.

**STRATEGY 5****Increase the availability of the national collections across Canada and enhance the visibility of Canadian art abroad**

Canadian art will be promoted through specially tailored travelling exhibitions within Canada and abroad, and through loans to other institutions. On-line access will be enhanced; digitization of the collections will continue.

**Performance measures:**

The number of travelling exhibitions will be maintained at 30. Two of the exhibitions will be available for smaller communities, and five will tour outside Canada during the planning period. Exhibitions will be held in at least 35 venues each year of the planning period. Attendance (real and virtual) will meet the forecasts on pages 22 and 23. Loans will range between 800 and 1,200 items annually. 3,000 digital files will be created every year.

**STRATEGY 6****Increase partnerships and collaboration with other institutions**

The Gallery will work with other institutions on exhibitions both at the Gallery and outside the National Capital Region (NCR), exchange curators and other senior staff, and participate in joint initiatives marking portfolio-wide activities (Heritage Day, Museums Day, etc.).

**Performance measures:**

New partnerships will be launched, expanding the Gallery's geographic coverage. At least one major exhibition will be mounted outside the NCR, and at least one exhibition produced by another Canadian gallery or museum will be shown at the Gallery, every year of the planning period.

**STRATEGY 7****Play a leadership role in strengthening the capacity of art institutions across Canada**

Sponsors and donors will be sought to expand the Gallery's internship, apprenticeship and guest curator programs, which will be vigorously promoted. Participation in the Gallery's orientation week and technical programs will be maintained, as will the Speakers' Bureau program.

**Performance measures:**

The level of sponsorship and donations, and the numbers of people recruited into the Gallery's programs for professionals, will indicate the strategy's success. A target of 20 will be achieved for institutional participants in the technical programs. Five speakers will be available in every year of the period.

**KEY ATTENDANCE FORECASTS****Forecast of Gallery Attendance**

	Initial 2003-04	Revised 2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
NGC	560,000	460,000	460,000	500,000	500,000	700,000	550,000
CMCP	60,000	60,000	60,000	65,000	65,000	65,000	70,000
Total	620,000	520,000	560,000	565,000	565,000	765,000	620,000

**Travelling Exhibitions Program: Forecast Attendance**

	Initial 2003-04	Revised 2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Attendance at exhibition outside NCR	343,000	262,000	368,000	365,000	365,000	365,000	330,000
Number of travelling exhibitions available	31	32	29	30	30	30	30
Number of venues in Canada and abroad	43	33	37	35	35	35	35
Number of provinces and territories	10	8	9	10	11	12	13



### Forecast of Virtual Attendance

<b>User Sessions</b>	Initial 2003-04	Revised 2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
NGC	607,200	480,000	495,000	510,000	510,000	530,000	555,000
CMCP	121,400	72,400	74,000	76,000	76,000	79,000	83,000
CyberMuse	60,000	300,000	310,000	320,000	320,000	330,000	340,000
<b>Total User Sessions</b>	<b>788,640</b>	<b>852,400</b>	<b>879,000</b>	<b>906,000</b>	<b>906,000</b>	<b>939,000</b>	<b>978,000</b>
<b>Web Hits</b>							
NGC Web site	3,300,000	2,000,000	2,050,000	2,100,000	2,100,000	2,185,000	2,300,000
CMCP Web site	610,000	280,000	285,000	295,000	295,000	305,000	320,000
CyberMuse	560,000	4,500,000	4,700,000	4,800,000	4,800,000	4,900,000	4,900,000
<b>Total Web Hits:</b>	<b>4,470,000</b>	<b>6,780,000</b>	<b>7,035,000</b>	<b>7,195,000</b>	<b>7,195,000</b>	<b>7,390,000</b>	<b>7,520,000</b>

### OBJECTIVE 3

To provide direction, control, and the effective development and administration of resources.

In support of the government's efforts to ensure that Canadians receive value for their tax dollars, the Gallery will be improving its financial management and governance practices, and making every effort to increase its net revenues from commercial and fundraising activities.

#### STRATEGY 1

##### Strengthen governance

The Gallery will strengthen its corporate and budget planning and monitoring procedures, and report on performance based on the new performance measures identified in this Plan. The Gallery will undertake an annual assessment of risks that could hinder the Gallery's performance and develop appropriate strategies to address them. Based on the assessment, the Gallery will develop a five-year internal Audit Plan, and will monitor the implementation of audit recommendations. The Board will complete its review of corporate policies by the end of 2004/2005.

##### Performance measures:

All levels of the organization will feel the effects of corporate planning. Information provided to the Board will be meaningful and relevant. Risks and problems will be identified and acted on.

**STRATEGY 2****Strengthen the work environment at the Gallery**

A comprehensive HR framework will include such areas as training, performance appraisal and staff recognition. A new classification system will be introduced.

**Performance measures:**

Employees will be surveyed to determine that they know how they are supposed to help fulfill the Gallery's vision and that they have the skills and tools to do so. They will receive the feedback they need to feel appreciated and improve their performance. Increased government funding will be sought to make it possible to renew the classification system and retain and replace experienced employees.

**STRATEGY 3****Increase and broaden the Gallery's revenue base**

New partnership and donation opportunities will be identified and revenue from sponsorships, memberships and rentals will be increased as will revenue from licensing, the Bookstore.

**Performance measures:**

Forecasts for earned revenue and fundraising will be met.

**STRATEGY 4****Ensure the Gallery operates effectively and efficiently**

Operating policies and procedures will be available on the Internet; all corporate information documents will be assessed for transfer to National Archives or disposal. Information on the collections will be available to internal and external users on a timely basis. A technology strategy will be put in place in 2004/05. A contract with private-sector food services provider will be signed by the end of 2004.

**Performance measures:**

Internal policies will be clearly communicated. Information will be managed as a corporate resource. The new food services arrangement will increase Gallery revenues.

**OBJECTIVE 3**

**To provide secure and suitable facilities, which are readily accessible to the public, for the preservation and exhibition of the national collections.**

To meet the needs of people with disabilities, the Gallery will complete the final phases of its work to ensure its facilities are fully accessible. It will also act to safeguard the works of art entrusted to its stewardship, whether on display or in storage.

**STRATEGY 1****Safeguard the collections and intellectual property, and ensure a safe environment for visitors and staff**

The Gallery will improve the protection of works on display and in storage through the increased use of cameras and video recorders. Electronic information systems will be backed up and reviewed regularly. Premises will continue to be inspected for security and safety problems. Staff will be trained to respond affectively to health and safety emergencies.

**Performance measures:**

Incidents of vandalism, theft or injuries to visitors or staff will be recorded. The surveillance systems will be fully installed by 2007/08. Crises such as power blackouts will be followed by “post mortems”, to ensure that contingency plans are effective. An external IT network security assessment will be carried out twice a year, and responses to virus attacks and other intrusions will be reported.

**STRATEGY 2****Provide safe, suitable and accessible facilities for visitors, staff and the collections**

A five-year strategy will be completed and implemented to optimize the use of existing storage space. Government funding will be sought to expand both storage and programming space. Critical maintenance issues will be addressed. The Gallery will be fully accessible to persons with disabilities.

**Performance measures:**

Resolution of funding issues related to building operations, capital infrastructure renewal and space pressures. Maintenance will be completed on time and within budget. All doors to interior galleries will be automated by the end of 2006/07.

## FINANCIAL PLAN AND BUDGET

### FORECAST RESULTS FOR 2003-04

#### Resources Available

For 2003/04, the total estimated resources available to the Gallery amount to \$52,229,000, an increase of \$3,577,000 over the forecast in last year's Corporate Plan. The \$3,577,000 includes additional appropriations of \$3,320,000 and additional revenues of \$257,000.

#### Resource Allocation

The plan for 2003/04 called for a balanced budget, which is still anticipated. Increased appropriations, higher gross revenues and cost reductions have been re-allocated to fund the increased cost of outreach and educational programs and to undertake research and acquire research materials.

#### Capital Funding

As of March 31, 2003, the Gallery had accumulated \$2,158,000 in reserve for capital items as a result of special funding provided under the government's Program Integrity initiatives. The balance, plus an additional \$1,000,000 received in 2003/04, brought the total available for capital expenditures to \$3,158,000 in 2003/04. It is anticipated that \$2,328,000 will be spent in 2003/04 leaving a carry forward to 2004/05 of \$830,000.

Starting in 2003/04, and as a result of funding from the government, the capital appropriations for the Gallery are fixed at \$1,000,000 annually. For 2004/05, the carry over of \$830,000 along with the regular funding of \$1,000,000 will cover most of the estimated requirement of \$1,837,000. The Gallery will divert funds from its operating budget to make up the shortfall. After 2004/05, the Gallery's minimum capital requirements will be over \$3,500,000 annually, and it will not be possible to meet these costs by internal relocations of funds.

#### Future Years

The Gallery's forecasts of self-generated revenues from 2004/05 to 2009/10 are conservative, given the environmental factors described in the Plan and in light of the Gallery's experience with attendance at its special exhibition in 2003/04. However, projections for contributions from the National Gallery Foundation are higher for 2004/05 and 2005/06 than in the past. The projections are supported by pledges that have already been made.

The financial plan estimates that future expenditures by activity will be maintained in roughly the same proportion as at present and assumes that costs will be managed in a way that maintains a balanced budget in all future years of the planning period.

## FINANCIAL STATEMENTS

### National Gallery of Canada Balance Sheet

(in thousands of dollars)	02-03 Actual	03-04 Budget	03-04 Forecast	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget
<b>Assets</b>								
Current:								
Cash and investments	7,737	7,622	8,665	8,840	9,065	9,290	9,515	9,740
Restricted cash and investments	5,668	2,289	4,235	1,160	1,235	1,310	1,385	1,460
Accounts receivable	1,123	575	550	575	600	625	650	675
Inventories	723	900	780	805	830	855	880	905
Prepaid expenses	1,446	1,350	1,325	1,400	1,425	1,450	1,475	1,500
	16,697	12,736	15,555	12,780	13,155	13,530	13,905	14,280
Collection	1	1	1	1	1	1	1	1
Capital assets	14,178	14,093	14,455	13,792	14,592	15,237	15,527	16,927
	30,876	26,830	30,011	26,573	27,748	28,768	29,433	31,208
<b>Liabilities</b>								
Current:								
Accounts payable and accrued liabilities	6,159	5,450	6,200	6,250	6,300	6,350	6,400	6,450
Unused appropriations received for the purchase of objects for the Collection	2,461	300	2,400	0	0	0	0	0
Unused appropriations for the purchase of capital assets	2,158	753	750	0	0	0	0	0
	10,778	6,503	9,350	6,250	6,300	6,350	6,400	6,450
Accrued employee termination benefits	1,992	2,249	2,242	2,492	2,742	2,992	3,242	3,492
Deferred contributions	822	987	872	922	972	1,022	1,072	1,122
Deferred capital funding	14,178	14,093	14,455	13,792	14,592	15,237	15,527	16,927
	27,770	23,832	26,919	23,456	24,606	25,601	26,241	27,991
<b>Endowments</b>	130	173	116	141	166	191	216	241
<b>Equity of Canada</b>								
Balance at beginning of year	2,825	2,825	2,976	2,976	2,976	2,976	2,976	2,976
Excess of revenues over expenses	151	0	0	0	0	0	0	0
	2,976	2,825	2,976	2,976	2,976	2,976	2,976	2,976
	30,876	26,830	30,011	26,573	27,748	28,768	29,433	31,208

## FINANCIAL STATEMENTS

### National Gallery of Canada Statement of Operations

(in thousands of dollars)	02-03 Actual	03-04 Budget	03-04 Forecast	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget
Expenses by activity								
Collections and Research								
Operations	4,735	4,478	4,532	4,546	4,602	4,570	4,677	4,564
Art acquisitions	6,433	5,700	7,700	7,700	7,700	7,700	7,700	7,700
Total Collections and Research	11,168	10,178	12,232	12,246	12,302	12,270	12,377	12,264
Outreach	1,535	1,102	2,170	2,176	2,203	2,188	2,239	2,185
Public Affairs	6,915	6,001	6,075	6,092	6,168	6,125	6,269	6,117
Development	3,991	4,043	4,093	4,105	4,155	4,126	4,224	4,121
Exhibitions and Collections Management	5,867	6,491	6,570	6,589	6,671	6,624	6,781	6,616
Facilities	15,623	15,050	15,233	15,278	15,466	15,358	15,721	15,339
Administration	5,650	5,787	5,856	5,874	5,946	5,905	6,045	5,899
Total expenses	50,749	48,652	52,229	52,360	52,911	52,596	53,656	52,541
Revenue and contributions	7,869	7,340	7,597	7,775	8,325	8,010	9,070	7,955
Net cost of operations before government funding	42,880	41,312	44,632	44,585	44,586	44,586	44,586	44,586
Parliamentary appropriations								
For operating and capital on a cash basis	36,867	35,312	36,632	36,585	36,586	36,586	36,586	36,586
Appropriations deferred for the purchase of depreciable capital assets	(2,290)							
Amortization of deferred capital funding	1,910							
Total on an accrual basis	36,487	35,312	36,632	36,585	36,586	36,586	36,586	36,586
For the purchase of objects for the collection	6,000	6,000	8,000	8,000	8,000	8,000	8,000	8,000
Drawn from prior years	3,005							
Deferred to future years	(2,461)							
Total on an accrual basis	6,544	6,000	8,000	8,000	8,000	8,000	8,000	8,000
Total - appropriations on an accrual basis	43,031	41,312	44,632	44,585	44,586	44,586	44,586	44,586
Excess of revenues over expenditures	151	0	0	0	0	0	0	0

## FINANCIAL STATEMENTS

### National Gallery of Canada Statement of Cash Flows

(in thousands of dollars)	02-03 Actual	03-04 Budget	03-04 Forecast	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget
<b>Operating activities</b>								
Excess of revenues over expenses	151	0	0	0	0	0	0	0
Items not affecting cash and investments								
Amortization	1,910	2,200	2,300	2,500	2,750	3,000	3,250	2,100
Accrued employee termination benefits	243	250	250	250	250	250	250	250
Loss on disposal of capital assets	1	0	0	0	0	0	0	0
Net internally restricted transactions	(21)	0	0	0	0	0	0	0
Increase in non-cash working capital components	2,284	2,450	2,550	2,750	3,000	3,250	3,500	2,350
	(226)	(25)	678	(75)	(25)	(25)	(25)	(25)
	2,058	2,425	3,228	2,675	2,975	3,225	3,475	2,325
<b>Financing activity</b>								
Capital funding - Program Integrity	2,290	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Capital funding - Other	2,167	1,000	1,577	837	2,550	2,645	2,540	2,500
Amortization of deferred capital funding	(1,910)	(2,200)	(2,300)	(2,500)	(2,750)	(3,000)	(3,250)	(2,100)
	2,547	(200)	277	(663)	800	645	290	1,400
<b>Investing activities</b>								
Purchase of capital assets	(4,459)	(2,000)	(2,577)	(1,837)	(3,550)	(3,645)	(3,540)	(3,500)
Proceeds from disposal of capital assets	1	0	0	0	0	0	0	0
	(4,458)	(2,000)	(2,577)	(1,837)	(3,550)	(3,645)	(3,540)	(3,500)
Increase in cash and investments during the year	147	225	928	175	225	225	225	225
Cash and investments at beginning of year	7,590	7,397	7,737	8,665	8,840	9,065	9,290	9,515
Cash and investments at end of year	7,737	7,622	8,665	8,840	9,065	9,290	9,515	9,740

## FINANCIAL STATEMENTS

### National Gallery of Canada Schedule of Operating Revenue and Contributions

(in thousands of dollars)	02-03 Actual	03-04 Budget	03-04 Forecast	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget
<b>Operating Revenue</b>								
Bookstores and publishing	3,022	2,900	2,257	2,555	2,825	2,825	3,325	2,825
Admissions	951	850	1,021	960	1,100	1,000	1,400	1,000
Parking	632	550	582	600	625	625	675	625
Interest	277	300	255	275	275	275	275	275
Sponsorship in cash	678	300	400	400	400	400	400	400
Travelling exhibitions	200	250	255	250	250	250	250	250
Rental of public spaces	516	450	650	575	600	600	600	600
Art loans-recovery of expenses	178	150	165	175	200	200	225	225
Memberships	499	660	400	500	550	550	550	550
Audio guides	103	100	171	150	155	150	175	110
Food services	33	35	27	35	40	45	50	50
Educational services	228	170	201	200	200	200	200	200
Other	22	35	71	35	35	35	35	35
	7,339	6,750	6,455	6,710	7,255	7,155	8,160	7,145
<b>Contributions</b>								
From National Gallery Foundation	166	100	629	545	520	275	300	300
From annual giving (membership)	148	390	292	420	450	480	510	410
From others	216	100	221	100	100	100	100	100
	530	590	1,142	1,065	1,070	855	910	810
<b>Total revenue</b>	7,869	7,340	7,597	7,775	8,325	8,010	9,070	7,955