

Royal BC Museum

2021/22
Annual Service Plan Report

August 2022



For more information on the Royal BC Museum contact:

675 Belleville St

Victoria B.C. V8W 9W2

250-356-7226

Or visit our website at

<https://royalbcmuseum.bc.ca/>

Published by the Royal BC Museum

Board Chair's Accountability Statement



The *Royal BC Museum 2021/22 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2021/22 – 2023/24 Service Plan* created in April 2021. The Board is accountable for those results as reported.

A handwritten signature in black ink that reads "Wendy King". The signature is fluid and cursive.

Wendy King
Interim Board Chair
August 18, 2022

Table of Contents

Board Chair's Accountability Statement	3
Letter from the Board Chair.....	5
Purpose of the Annual Service Plan Report.....	7
Purpose of the Organization.....	7
Strategic Direction	7
Report on Performance: Goals, Objectives, Measures and Targets.....	8
Financial Report.....	19
Discussion of Results	19
Financial Summary	20
Variance and Trend Analysis.....	21
Capital Expenditures	22
Appendix A: Additional Information.....	23
Appendix B: Auditor's Report and Audited Financial Statements.....	24

Letter from the Board Chair

On behalf of the Board of Directors, we respectfully submit the Royal BC Museum 2021/22 Annual Service Plan Report.

The Royal BC Museum (the Museum) worked in partnership with the Ministry of Tourism, Arts, Culture and Sport to focus on the strategic priorities laid out in the 2021/22 Mandate Letter from Government.

Through this important partnership, the Museum has been able to continue the imperative work of repatriation, enhancing partnerships with First Nations to facilitate the return of ancestors and sacred belongings, and adapting to, and mitigating challenges brought about by the pandemic.

BC Archives continued engagement and dialogue with First Nations to improve communication and increased assistance to records. In June 2021, a Memorandum of Understanding was signed with the Sisters of St. Ann to establish a closer working relationship, earlier transfer of the custody of records and greater transparency regarding access to residential school records.

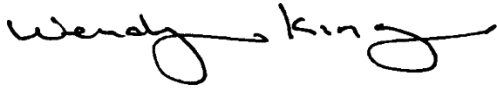
Modernization of the Museum progressed in collaboration with our Government partners with respect to the new Collections and Research Building with an RFP issued to three Design and Build proponents.

The Museum affirmed its commitment to reset the relationship between the Royal BC Museum and Indigenous Peoples in B.C. as laid out in the *Declaration on the Rights of Indigenous Peoples Act* (DRIPA) Action Plan and in doing so, the Museum began its search for its new VP, Engagement and DRIPA Implementation. This executive lead will oversee meaningful engagement, collaboration and relationship building with Indigenous and culturally diverse communities throughout the Province to facilitate exhibition and educational program development that incorporates the many voices and experiences of British Columbia. This will give rise to new partnerships and insights to enrich and inform the visitors to the Museum, much like we saw with the exhibition *Hope Meets Action: Echoes through the Black Continuum* which was created in partnership with the BC Black History Awareness Society.

Pandemic recovery included work by the Museum's learning team to deliver Digital Field Trips, virtual gallery tours and develop and execute a calendar of educational programming and events. Natural History curators continued research and collections work to continue to track the natural evolution of the Province. The Museum successfully re-opened IMAX® Victoria screening a compelling schedule of documentaries and movies, including award-winning local documentary *Saving Luna*, and internationally renowned *Antarctica*.

As a provincial Crown corporation, accountability guides our planning and decision making. In February 2022, the Board appointed a new CEO, Alicia Dubois; and the Board Chair and CEO meet with the Minister for Tourism, Arts, Culture and Sport throughout the year to ensure the Royal BC Museum's actions are aligned with its Mandate Letter. Since all parties have taken a more collaborated approach to addressing the revitalization of the museum, the organization has experienced significant improvements with regards to workplace culture and staff engagement.

Wendy King

A handwritten signature in black ink that reads "Wendy King". The signature is fluid and cursive, with the first name "Wendy" and the last name "King" clearly distinguishable.

Interim Board Chair, Royal BC Museum

August 18, 2022

Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

The Royal BC Museum was created under the [Museum Act](#) (2003) to fulfil the government's fiduciary role as a public trustee of specimens, artifacts, and cultural objects, the archives of government and private archival records, and other materials that illustrate the natural and human history of British Columbia. The Royal BC Museum communicates knowledge of human and natural history through exhibitions, research, and programs, and holds collections for current and future generations of British Columbians. The Royal BC Museum encompasses the Museum, the BC Archives, Wawadit'la (Mungo Martin House) in Thunderbird Park, the Netherlands Carillon, St. Ann's Schoolhouse, and Helmcken House.

In 2021, the Royal BC Museum celebrated 135 years as preserver and steward of the histories of British Columbia and its peoples. The Museum also has a role in generating tourism-related jobs, supporting the development of K-12 curriculum, acting as the provincial repository for significant fossil finds in BC, facilitating repatriation requests for Indigenous cultural belongings and ancestral remains and providing educational resources on repatriation best practices, and publishing best-selling works of non-fiction.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the Board Chair's [2021-22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures, and financial plan outlined in the [2021/22 Royal BC Museum Service Plan](#) as well as actual results reported on in this annual report.

Operating Environment

British Columbia's economic recovery strengthened in 2021. B.C.'s real GDP growth of 6.2 per cent was the second highest among provinces (behind Prince Edward Island), following a contraction of 3.4 per cent in 2020. While B.C.'s recovery broadened in 2021, it remained uneven as sectors such as accommodation and food services, and arts, entertainment and recreation have yet to fully recover to pre-pandemic levels. Meanwhile, inflation grew throughout the year and increased by 2.8 per cent on an annual basis, largely due to supply-chain disruptions, resilient demand for goods and services, and high energy prices.

Tourism continued to be affected by protective measures to prevent the transmission of COVID-19. This included ongoing border closures, travel restrictions, business restrictions, and physical distancing orders. These measures began to steadily ease throughout the year, and international travel and in-person events made a gradual return.

Adverse weather also impacted tourism during this fiscal year: a heat dome in August 2021, a devastating wildfire season, and the atmospheric river in November 2021 that cut off parts of the province due to large scale infrastructure damage.

Key financial and operational considerations included maintaining and repairing the Museum and archives' aging infrastructure, collections storage and the need to continue to prioritize digitization to increase access to records and collections. Prior to the COVID-19 pandemic, approximately 50 per cent of the Royal BC Museum's operating budget was funded by admissions revenue, IMAX® Victoria revenue and philanthropic contributions, all of which are variable funding sources. The pandemic impacted the museum, archives, and IMAX® Victoria operations through capacity restrictions, travel restrictions, and temporary closures to the public; and a subsequent decrease in revenue through ticketed admissions. Fundraising also saw impacts as donors had less discretionary funds available. In August 2020, the RBCM purchased IMAX® Victoria from the former tenant operator, changing the revenue stream to enable greater financial viability. As physical distancing measures eased, IMAX® Victoria was successfully reopened to the public in September 2021.

Report on Performance: Goals, Objectives, Measures and Targets

Goal 1: Build back financial stability

The Museum, archives and IMAX® Victoria play an important role in supporting a sustainable economy in British Columbia. Improved financial performance through income generation, and securing long-term financial viability allows for further improvements to the Museum's programming and infrastructure, thereby attracting more visitors to British Columbia and the Museum, archives and IMAX® Victoria.

Objective 1.1: Generate revenue from operations

Key Highlights

- Hosted feature exhibition, *Orcas: Our Shared Future* created by the Museum Exhibition's team in partnership with other key stakeholders, drawing national and international audiences.
- Launched and promoted *Mushrooms of BC*, a best-selling publication, resulting in increase in publications revenue of nearly 300% from the previous year.
- Strengthened and diversified funding base through retail operations, licensing and IMAX® Victoria.
- Re-opened IMAX® Victoria in September 2021 as provincial health restrictions eased and provided a schedule of attractive and engaging films and documentaries to draw audiences including local movie *Saving Luna*, BBC's *Antarctica* and *Polar Express*.

Performance Measure	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.1a Revenue from operations, in millions (M)	\$3.1M	\$5.3M	\$7.4M	\$8.0M	\$8.6M

Data source: Royal BC Museum financial reporting systems.

Discussion of Results

Revenue generated from operations exceeded the target by \$2.1M, as COVID-19 had a lesser impact during this fiscal year than had been anticipated. We were pleased to welcome a robust number of visitors and admissions were higher than targeted with more people travelling around the province as restrictions eased, and international tourists began to return slowly. Popular feature exhibition Orcas: Our Shared Future was extended through until March 2022 and continued to attract visitors, positively impacting admissions revenues.

IMAX re-opened in September 2021 and was a key revenue generator with a schedule of varied documentaries and movies targeted to attract diverse audiences.

Revenue generated by publications, especially Mushrooms of BC, was also higher than expected, and revenue for publications overall was up nearly 300% on the previous year as a result. The popularity of Mushrooms of BC was due to strong alignment with current trends in foraging.

Objective 1.2: Leverage community support

Key Highlights

- Maintained meaningful volunteer engagement with the organization while the volunteer program was on pause due to the pandemic, through regular communication and by creating virtual gathering initiatives such as the Virtual Volunteer Lounge.
- Increased our presence throughout the province through the travelling exhibitions program, including the launch of newly developed exhibitions *BC's Marvellous Mushrooms* and *Haq and History*, part of the South Asian Canadian Legacy Project.
- Continued to develop and deliver the Digital Field Trips school program, and new digital learning opportunities for all ages for regions outside Vancouver Island and the lower mainland.
- Provided continued collaborative support and partnership to other provincial ministries, heritage, scientific and cultural institutions with scientific, curatorial and archival expertise on a case-by-case basis.

Performance Measures	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.2a Number of volunteer hours in thousands (K)	8.8K	34.6K	8.4K	40.4K	46.2K
1.2b Value of media, both in-kind and earned, in millions (M)	in-kind: \$0.29M earned: \$19.3M	in-kind: \$0.50M earned: \$20M	in-kind: \$0.32M earned: \$23.8M	in-kind: \$0.84M earned: \$22.5M	in-kind: \$0.84M earned: \$25M
1.2c Donations (cash & in-kind) and grants, in millions (M)	\$0.83M	\$0.25M	\$0.28M	\$0.5M	\$0.5M

Data source: Data source: Royal BC Museum financial reporting systems

Discussion of Results

While the Royal BC Museum did not meet its 2021/2022 target for the number of volunteer hours due to the impact of COVID-19 on the volunteer program, virtual engagement with volunteers continued to ensure relationships were preserved and volunteer contributions were honoured. To ensure the health and safety of volunteers and staff, the Museum paused the on-site volunteer program for the majority of the year.

To provide context to 1.2b in the table above, media value, which includes both the result of media relations coverage and leveraging of paid-for advertising, reflects public engagement with the Royal BC Museum's initiatives. "Earned" media value is based on the amount it would cost to purchase the equivalent space/time for a published press article/broadcast (no multipliers included) and includes activities such as word-of-mouth. "In-kind" media refers to the value of all additional advertisements or advertorials negotiated with media for no cost as a corporate donation. The ad equivalency formula is the readership of the publication (based on unique monthly visitors), multiplied by the potential viewership (assuming that not everyone on the site reads the article), then multiplied again by the average ad cost (a proprietary and constant value).

Earned media targets were surpassed due to an ongoing effort to share news and events through news releases. A number of Modernization project updates also attracted extensive media interest and coverage.

In-kind media is negotiated as part of paid advertising contracts. In an effort to support provincial advice to British Columbians to avoid non-essential travel due to the pandemic and adverse weather events, the Royal BC Museum reduced its investment in in-kind media and advertising. This action also allowed for cost savings.

The Museum was grateful to surpass the set target for donations slightly, due in part to a significant increase to online donations as a result of public support throughout the pandemic.

Goal 2: Create dynamic and relevant visitor experiences

Achieve exceptionally high levels of satisfaction from local, provincial and international visitors (when travel restrictions are lifted) and users through temporary exhibitions, programs and events, digital content and publications.

Objective 2.1: Build back on-site visitor volume numbers

As the provincial Museum, archives and IMAX® Victoria, the Royal BC Museum is committed to creating unique experiences to build back on-site visitor volumes.

- Hosted and promoted feature exhibition *Orcas: Our Shared Future*.
- Offered wider access to British Columbians through the Greater Victoria Public Library pass program, in which library patrons can check out a Royal BC Museum family pass.
- Offered creative and engaging film schedules in the IMAX® Victoria to enhance visitor experience.

Performance Measure	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.1a Number of visitors to main site, in millions (M) ¹	0.11M	0.28M	0.34M	0.51M	0.65M

Data source: Royal BC Museum Finance & Procurement reporting systems.

¹ Ticketed visitors are counted automatically. Non-ticketed visitor numbers are recorded manually via registration for events/courses and by head counts at events. Non-ticketed visitors accounted for about 9 per cent of the overall total in 2020/21.

Discussion of Results

The target for number of visitors to the Museum was exceeded. The Museum was pleased to host a higher number of visitors than expected due to the popularity of the feature exhibition *Orcas: Our Shared Future*, and the reduced impacts of COVID-19. IMAX® Victoria also experienced strong attendance.

The number of visitors to the main site includes paid attendance (including membership visits); complimentary ticketed attendance; school groups; visits to the archives; tours, courses, lectures, and private events in rented galleries; visits to public programming events and events hosted by third parties; and the IMAX® Victoria visits (accounting for about 283,000 visitors a year, for which the Royal BC Museum provides services and amenities). Note that combined museum/IMAX® Victoria tickets are counted as a single visit to the museum.

Objective 2.2: Maintain high visitor satisfaction levels

The museum attracts diverse audiences and seeks to meet or exceed visitor's expectations. To target this objective, the Museum provides engaging exhibitions, thought-provoking programming and a fulsome visitor experience.

Key Highlights

- Continued enhanced cleaning and health and safety measures to ensure visitors felt confident and at ease when visiting the Museum and archives.
- Offered an extended experience to visitors with the Food Truck Festival in the Museum Courtyard, IMAX® Victoria programming and an array of curated local goods available in both the IMAX® Victoria and Royal BC Museum retail locations.
- Developed and featured the exhibition *Hope Meets Action: Echoes through the Black Continuum* in partnership with the BC Black History Awareness Society in the Pocket Gallery, freely accessible on the ground floor of the museum.
- Offered free online programs for B.C. Family Day generously supported by funding provided by the Province.

Performance Measure	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target ¹	2023/24 Target ¹
2.2a Per cent of visitors surveyed satisfied with services	94%	95%	93%	95%	93%

Data source: Royal BC Museum Marketing & Business Development records. Data is gathered in comprehensive ICount surveys two times per year with a random sample of on-site visitors, and is reliable with 95% confidence, 19 times out of 20

¹ Updated targets for 2022/23 and 2023/24 were included in the [2022/23 Service Plan](#).

Discussion of Results

The per cent of visitors satisfied with services was 93%. Although slightly below target, this was considered an excellent result as visitor satisfaction remained high as the Museum embarked upon a phase of transition and transformation. Visitors' positive response to Orcas: Our Shared Future was the main factor in this result. 91% of survey respondents classed the exhibitions as 'excellent'.

Objective 2.3: Continue growing attendance numbers at learning programs and events

Royal BC Museum programming constantly evolves, reflecting contemporary tastes, learning expectations and the adoption of new technologies. The following performance measures consider the response received from learners of all ages in offering learning experiences that are inherently unique: as its programming is based on, and drawn from, the collections of the provincial Museum and archives of B.C., no other institution can offer these types of programs.

Key Highlights

- Provided curriculum support for students and teachers, including developing and crowd-sourcing resources on the online Learning Portal, teacher workshops, school tours, school partner projects, Digital Field Trips and school visits.
- Engaged with diverse cultural groups to deepen the Museum and archives' institutional knowledge and connecting with learners and educators throughout the province to develop a user-focused experience.

- Provided many new opportunities for learners of all ages across the province through increased access to expanded digital programming.

Performance Measures	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.3a Number of people at our learning programs/events ¹	146,216	193,900	43,894	211,300	193,500
2.3b Learning program and event participants on site ²	0	2,000	377	11,000	5,500
2.3c Outreach outside the Capital Region ³	N/A	178,000	6,129	178,000	178,000
2.3d Animation participants	0 ⁴	13,900	2,275	27,800	10,000

¹ Data is compiled from head-count clickers operated by staff, photographs, third-party providers and the Human Resources Volunteer Impact database. 2.3a represents the total of the three following measures.

² Visitor numbers are recorded by security guards at Helmcken House/St. Ann's Schoolhouse and by staff at programs and events, using head-count clickers, with some additional verification by photographs. The data is considered reliable.

³ Data is supplied by third-party providers and is considered reliable

⁴ There was no gallery animation in 2020/21 due to the pandemic.

Discussion of Results

Overall, the number of participants at learning events did not meet the targets set; this was predominantly due to the impacts of the pandemic. The volunteer program supports programming, animation and events. The museum paused the program from March 2020 until March 2022. This meant that the ability to deliver these programs was reduced.

Virtual events continued to be a key focus at the start of the year with the RBCM@Home and Follow Me Instagram Live series. On-site programs started back in early 2022, and events for Black History Month in February were very well attended.

Objective 2.4: Increase visitor volume online

Our online presence is the digital face of the Museum, archives and the IMAX® Victoria, supporting the Museum's reputation. Recognizing that not all British Columbians (or people around the world) are able to travel to Victoria to experience the Royal BC Museum in person, this objective reflects the view and modern realization that digital visits are as valuable and important as in-person, on-site visits.

Key Highlights

- Offered the public free digital programming for Family Day 2022, generously supported with funding from the Province .
- Supported learning programming goals through digital initiatives like the Learning Portal, Digital Field Trips for teachers and students across the province, and annual teachers' professional development workshops that are focused on digital learning opportunities.

- Continued to add new materials and learning pathways to the Learning Portal and expanded the number of online programs for educators and learners.
- Supported preservation and access through the consistent digitization of collections and archives materials; continued the expansion of the Research Portal to share Museum and archives research initiatives; and added to the BC Archives' collection search (also known as Access to Memory, or AtoM) and Integrated Museum Management (IMM, the Museum collection search).

Performance Measures	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.4a Total visitors to website, in millions (M) (does not include Learning Portal or IMAX® Victoria website)	11.2M page views 1.6M sessions	12.6M page views 2.3M sessions	13.2M page views 2.4M sessions	13.2M page views 2.4M sessions	13.8M page views 2.5M sessions
2.4b Total visitors to Learning Portal, in thousands (K)	162.2K page views 52.2K sessions	128.6K page views 41.1K sessions	155K page views 50.7K sessions	135K page views 43.1K sessions	148.8K page views 45.3K sessions
2.4c Total visitors to IMAX® Victoria website ¹	378.5K page views 149.5K sessions	585K page views 160K sessions	417.5K page views 185.4K sessions	700K page views 190K sessions	910K page views 250K sessions

Data source: Royal BC Museum Google Analytics

¹ IMAX® Victoria was purchased by the museum in August 2020

Discussion of Results

As visitors returned, and the new feature exhibition *Orcas: Our Shared Future* was launched, we experienced an increase in website traffic to the Museum site which allowed the Museum to exceed the target for total website visitors during this fiscal year. The most popular pages viewed indicated that guests wanted to pre-purchase tickets and check entrance requirements in advance.

The Learning Portal continued to be popular as remote learning programs and digital @home experiences raised more awareness of the Portal. In light of this, the number of visitors to the Learning Portal exceeded numbers targeted for 2021/22.

IMAX® Victoria, now operated by the Museum, offered a variety of movies and documentaries appealing to a broad audience. Social media marketing drove traffic to the IMAX® Victoria website to view showtimes and to pre-purchase tickets. Targets for the IMAX Victoria® Website were not met, as the website saw a significant decrease in visitor traffic while IMAX Victoria® was closed throughout the beginning of the fiscal until September 2021.

Objective 2.5: Provide access to, and facilitate the repatriation of, Indigenous belongings to communities in BC

This objective supports and aligns with BC's *Declaration on the Rights of Indigenous Peoples Act* and the Province's commitment to the United Nations Declaration on the Rights of Indigenous Peoples and the Calls to Action from the Truth and Reconciliation Commission. The

objective reflects the Royal BC Museum's central and long-standing role in supporting reconciliation through meaningful action that addresses government priorities and, just as importantly, the desires of our partners in Indigenous communities.

Wherever possible, the Royal BC Museum expedites repatriation requests from the Indigenous collections. The Royal BC Museum provides expertise and support to Indigenous communities in BC seeking the return of ancestors and cultural belongings from other museums, anywhere in the world. The Royal BC Museum also provides expertise and advice, modelling a way for cultural institutions and partners to work collaboratively with Indigenous communities.

Key Highlights

- Provided Indigenous communities and individuals with reproductions of records documenting their cultural heritage. Indigenous researchers can access copies of photographs, textual records, sound recordings and other items from the collections.
- Established a Memorandum of Understanding with the Sisters of St. Ann, committing to a closer working relationship, earlier transfer of custody of archives, and access to residential school records.
- Continued to prioritize the digitization of Indigenous materials, with a focus on digitizing linguistic tapes in order to support language revitalization programs within Indigenous communities.
- Completed a restoration project in partnership with Richard Hunt to restore and reposition a totem pole in Thunderbird Park.
- Continued partnership with Songhees Nation and Esquimalt Nation on the Collections and Research Building and continued to engage Indigenous communities on the protocols and appropriate processes for caring for their cultural belongings and the incorporation of Indigenous perspectives during the modernization project (e.g. packing and moving Indigenous belongings).

Performance Measures		2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.5a Number of digitized files (sound recordings, photographs, etc.) repatriated to Indigenous communities in BC		708	300	275	300	300
2.5b Number of visits by Indigenous groups to the Indigenous collections, to access historical materials from their communities	Outreach at events like Hobiye (and virtual outreach)	0	300	50	600	1,100
	Archaeology	0	0	50	30	30
	Indigenous Collections	0	0	50	150	150
	Wawadit'la (Mungo Martin House)	0	0	1,040	500	700

Data source: Royal BC Museum Indigenous Collections and Repatriation department records.

Discussion of Results

The 2021/22 results for the number of digitized files repatriated to Indigenous communities was slightly below target due to recruitment challenges for vacant roles, and the need for staff to work off-site as per COVID-19 workplace measures.

While COVID-19 continued to deter Indigenous communities from visiting the Museum to view their cultural materials, visits to Archaeology and Indigenous Collections in 2021/22 surpassed targets as community members began to travel again as restrictions eased. This increase in visits to Archaeology and Indigenous Collections may also be linked to priority changes in communities around repatriation as opportunities opened up through the enactment of DRIPA and its coming into force.

Treaty-related visits to view cultural material and repatriation ceremonies were lower than in previous years and below target as many First Nations communities restricted travel due to health concerns for community citizens and Elders. No in-person group visits, such as training sessions or workshops, were held for this reason. Ancestral remains repatriations were primarily carried out in the respective First Nation's territory. The Museum's repatriation expert brought the ancestors to communities, rather than hosting community members at the Museum to ensure repatriation efforts were continued.

Wawadit'la saw a significant increase in visitors beginning with a well attended (500 people) ceremony outside the Big House on May 31, 2021, to honour the 215 children found buried at the Kamloops Indian Residential School. Chief David Knox hosted UVic Indigenous law students for several cultural sessions. The urban Kwakwaka'wakw community began holding culture nights in Wawadit'la in March 2022.

In addition, we participated in several virtual outreach meetings with the First Peoples Cultural Foundation and other organizations.

Goal 3: Effectively steward our collections

The Royal BC Museum continues to develop and care for museum and archives collections, ensuring the collections and knowledge remain relevant and accessible for audiences now and for generations to come.

Objective 3.1: Protect our collections

The Museum's mandate is to fulfil government's fiduciary role as a public trustee of specimens, artifacts, archival records (government and private) and other materials that illustrate B.C.'s natural and human history, and to hold and make accessible these collections for current and future generations. To do this, the Museum provides the necessary conservation, research, management, security, IT, financial and environmental supports.

Key Highlights

- Continued to advance digitization through growth of AtoM and Integrated Museum Management (IMM) databases to provide resources for research and sharing of

knowledge about British Columbia, as well as provide a preservation method related to the digitization of records.

- Continued to develop the Sitka BC Archives Library Database to provide expanded access to provincial archives and genealogy records.
- Provided access to the Collections through the public-facing catalog and search system for the BC Archives library.
- Continued to process and make publicly accessible government records transferred to the Royal BC Museum.
- Continued to introduce new incremental preservation and conservation measures where possible.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.1a Collection Risk Management Index (CRMI) score ¹	80%	80%	80%	80%	80%
3.1b Number of objects attached to AtoM, in thousands (K) ²	8.6K	7K	7K	7K	7K
3.1c Number of boxes of government records processed, in thousands (K)	2.1K	3K	2.4K	3K	3K
3.1d Number of records added to IMM, in thousands (K) ³	97K	25K	24K	25K	25K

Data source: Royal BC Museum

¹ The CRMI refers to the number of outstanding risks to the collection as a percentage of those originally identified in the Royal BC Museum's comprehensive collections risk assessment.

²“objects” are photographs, digital files and PDFs of textual records, and “AtoM” refers to Access to Memory, the BC Archives’ collection search website.

³“IMM” refers to the Royal BC Museum collections database that provides resources for research and the sharing of knowledge about its natural history and human history collections.

Discussion of Results

The Collection Risk Management Index (CRMI) score reported above is based on a 2016 assessment. CRMI assessments occur regularly every 5 years. While the Museum was scheduled to undergo an assessment in 2021, that assessment was postponed due to ongoing COVID restrictions, and in light of active planning for the new Collections and Research Building.

The CRMI is derived from ongoing analyses of Royal BC Museum facilities and conservation efforts, based on the current international standard. The score above shows that at least 80% of the outstanding risks continue to exist.

The number of objects attached to AtoM was on target. Targets had been accurately planned according to the resource available.

The number of boxes of government records processed did not meet the expected target. This was due to staffing challenges and the impacts of COVID-19 including a rotating work from home schedule, as records have to be processed on site.

The number of records added to Royal BC Museum collections database IMM was just below target. Collections continued to be acquired and expanded, however in the latter part of the fiscal, many Curators and Collections Managers shifted focus to the preparation, pack and move work needed ahead of the relocation to the Collections and Research Building.

Goal 4: Museum Modernization Project

The Royal BC Museum continued to work with development partners on museum modernization, including the construction of the Collections and Research Building in Colwood, and the modernization Museum on the inner harbour.

Objective 4.1: Modernize the Museum experience

The Royal BC Museum is working with the Ministry of Tourism Arts, Culture and Sport on the Modernization project. Modernization includes the development of the Collections and Research Building at Colwood, and the potential development of the downtown site, in addition to an overarching cultural goal. The cultural goal is to: preserve the collections; enhance visitor experiences; represent the varied lived experiences of the diverse communities of British Columbia; and increase access to and availability of the collections, programming and exhibitions. In addition, the Royal BC Museum will also be applying a Modernization lens to museum practices, policies and procedures.

Key Highlights

- Progressed the development of the Collections and Research Building in collaboration with development partners Transportation Investment Corporation, Ministry of Tourism, Arts, Culture and Sport, and Infrastructure BC.
- Began the initial work to transform the exhibit space in the third floor galleries. The objective of the transformation includes building relationships and working with diverse cultural communities of British Columbia and facilitating community-based storytelling of their histories and diverse lived experiences. Modernization includes sharing the lived experiences of all British Columbians.

Performance Measure(s)	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
4.1a Number of engagements with communities on the modernization projects ¹	N/A ⁴	25	15	25	20
4.1b Percentage of staff completed the EDIA training ²	N/A ⁴	100%	70%	100%	100%
4.1c Activation against preparation, pack and move plan ³	N/A ⁴	40%	18%	85% ⁵	100% ⁵

Data source: Royal BC Museum

¹ Refers to the number of community engagements (traditional and self-identified) that the Museum has undertaken. Does not include individual meetings and engagements with private groups and stakeholders.

² These figures represent the mandatory training presented by the organization.

³ Represents the accumulated percentage of work against the Prep Pack and Move plan over time.

⁴ New performance measure for 2021/22.

⁵ Updated targets for 2022/23 and 2023/24 were included for measure 4.1c in the [2022/23 Service Plan](#) (see Objective 1.1 in that plan for more details).

Discussion of Results

The continued impact of COVID-19 and leadership changes at the Royal BC Museum impacted the number of engagements with communities on the Modernization project. While engagement numbers fell short of targets, the engagement events held in Colwood were extremely successful, as were stakeholder relationship meetings.

All employees who were on staff when the Equity, Diversity, Inclusion, and Accessibility (EDIA) training sessions were run, participated. Results are below target as training was put on pause in response to preliminary recommendations found in [the Royal British Columbia Museum Report to British Columbians](#) in order to seek out a more fulsome program in line with our commitment to the *Declaration on the Rights of Indigenous Peoples Act* and the United Nations Declaration on the Rights of Indigenous Peoples. Following the appointment of the new CEO an internal culture shift was a key priority.

Targets for the preparation, pack and move plan did not meet the target set for the year. In the 2022/23-2024/25 Service Plan future targets relating to the preparation, pack and move plan were revised, allowing for incremental progress to be made over three years, in conjunction with the anticipated completion of the Collections and Research Building in December 2024. While the results of this fiscal year did not meet the target set for 2021/22, the progress made by March 2022 is in line with the latest service plan targets and RBCM ended the fiscal year on track to successfully execute the preparation, pack and move plan.

Financial Report

For the auditor's report and audited financial statements, [see Appendix C](#). These can also be found on the [Royal BC Museum](#) website.

Discussion of Results

The Royal BC Museum is committed to a strong financial foundation for the delivery of quality museum and archival services, and as we meet our legislated purpose financial sustainability is central to our stewardship role. To increase financial viability the Museum is working to diversify and increase revenue streams. We are exploring innovative ways to engage donors, provincial and federal governments, as well as the private sector through meaningful sponsorship and partnership opportunities. The Royal BC Museum expenses are fixed apart from special exhibitions or funded programs. We continue to develop strategies to manage expenditures while maximizing programs and revenues in order to meet our mandate and serve the citizens of B.C. in the most cost-effective manner.

Financial Summary

(\$000)	2020/21 Actual	2021/22 Budget	2021/22 Actual	2021/22 Variance
Revenue				
Province of British Columbia Operating Contributions	11,866	11,866	11,866	0
Other Provincial Funding	23,367	3,917	5,169	1,252
Museum admission fees	1,100	2,911	4,805	1,894
Other Income	2,017	2,348	2,862	514
Total Revenue	38,350	21,042	24,702	3,660
Expenses				
Salaries and benefits	11,801	13,542	12,744	(798)
Building	1,839	2,380	2,169	(211)
Grant - in lieu of taxes	789	832	884	52
Security	835	955	1,038	83
Amortization	1,085	1,212	1,126	(86)
Special Exhibitions	417	1,500	2,071	571
Other Operating Costs	8,177	5,860	5,903	43
Total Expenses	24,943	26,281	25,935	(346)
Net Income	13,407	(5,239)	(1,233)	4,006
Total [Liabilities/Debt]	20,462	128,814	27,464	(101,350)
Capital Expenditures	15,031	111,279	6,077	(105,202)
Accumulated Surplus	30,077	23,528	28,843	5,315

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles

Note 2: Other Provincial Funding includes 14.9 million grant for land purchase

Variance and Trend Analysis

Revenues

Provincial Operating Contribution

Provincial operating contribution remained constant at \$11.866 million. Additional provincial contributions for projects are included in Other Provincial funding.

Other Provincial Funding

Other Provincial Funding was \$1.252 million ahead of budget primarily due to funding for COVID-19 relief, offset by reduced spending on the Museum modernization project.

Museum Admission Fees

Museum admission revenues were higher than budget due to stronger than anticipated attendance once COVID-19 restrictions were lifted, and the extension of the feature exhibition Orcas: Our Shared Future. Admission revenue was \$1.894 million over budget.

Other Income

Other Income includes grants and sponsorships, property leases, programs, services and miscellaneous income, amortization of deferred capital contributions as well as donated collections and artifacts. Other Income was \$0.514 million over budget. Revenues were down for property leases and programs held on site due to COVID-19 restrictions.

Expenses

Total operating expenses for the year were \$25.935 million, lower than budget by \$0.346 million primarily due to reduced spending on the modernization project offset by higher spending for Special Exhibitions.

Salaries and Benefits

Salaries and benefits were \$0.798 million lower than budget primarily due to reduced spending on the Museum modernization project.

Special Exhibitions

Special Exhibition costs were \$0.571 million over budget due to a write down of exhibition costs previously capitalized.

Risks and Uncertainties

In 2021/22 there were significant impacts on Museum operations, and the Province supported with \$2.3 million in COVID-19 relief. Further effects from the pandemic and other uncertainties are possible, however the Museum will mitigate these risks by continually looking to create a compelling on-site offering to attract visitors, as well as deliver engaging off-site and online programming. We will continue to strengthen and diversify our funding through a variety of channels including philanthropy, meaningful sponsorships, partnerships, retail opportunities and IMAX® Victoria.

Capital Expenditures

Major Capital Projects (over \$50 million)	Year of Completion	Project Cost to March 31, 2022 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
Collections and Research Building	2025	\$17.7*	\$206	\$224
<p>On September 18, 2020, the Province announced the first phase of the Royal BC Museum modernization project, the construction of the Collections and Research Building in the Royal Bay development of Colwood, B.C. The Collections and Research Building will store and protect the collections, artifacts and a portion of the provincial archives; provide research areas and laboratories; and support public access to more of the provincial collections.</p> <p>* As of March 31, 2022, the Ministry of Tourism, Arts, Culture, and Sport had provided \$19 million in project funding. \$1.3 million of this amount was held in trust related to the land purchase and is not recognized as a capital cost.</p>				

Appendix A: Additional Information

Organizational Overview

The strategic priorities of the Royal BC Museum are supported by four organizational streams, each responsible for a number of business areas: Collections and Research; Inclusion and Community Engagement; Museum and Archives Operations; and Corporate Finance. Also see: royalbcmuseum.bc.ca/about/corporate-information/organizational-overview/

Corporate Governance

The Royal BC Museum is governed by a Board of Directors, which is accountable to the Minister Responsible for implementing government's direction. Under the Board's direction, management carries out the day-to-day operations of the corporation, under the supervision of the Chief Executive Officer. For more information, please see royalbcmuseum.bc.ca/about/corporate-information/governance.

Board governance information on the Royal BC Museum's websites includes all information required by Section 3 of the Best Practice Guidelines Governance and Disclosure Guidelines for Governing Boards of BC Public Sector Organizations.

Contact Information

The Royal BC Museum's collections, exhibition galleries, archives and administration are located at:

675 Belleville Street,
Victoria BC,
V8W 9W2.

Phone: 250 356-7226

Email: receptionist@royalbcmuseum.bc.ca

Website: royalbcmuseum.bc.ca

Appendix B: Auditor's Report and Audited Financial Statements

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 2022

August 18, 2022

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

CONTENTS

	PAGE
Management's Report	3
Independent Auditors' Report	4-7
<u>Financial Statements</u>	
Statement of Financial Position	8
Statement of Operations and Accumulated Surplus	9
Statement of Change in Net Debt	10
Statement of Cash Flows	11
Notes to Financial Statements	12-27

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

MANAGEMENT'S REPORT

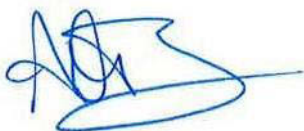
The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with the financial reporting framework disclosed in Note 2, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the Corporation's financial statements.

The Royal British Columbia Museum Corporation's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board and its Finance and Audit Committee. The Board reviews internal financial statements at each meeting and external audited financial statements yearly. The Board and its Audit and Finance Committee also discuss any significant financial reporting or internal control matters prior to their approval of the Corporation's financial statements.

The external auditors, the Office of the Auditor General of British Columbia, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the Royal British Columbia Museum Corporation's financial statements. The auditors have full and free access to financial management of the Royal British Columbia Museum Corporation and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements of the Royal British Columbia Museum Corporation.

On behalf of the Royal British Columbia Museum Corporation:



Alicia Dubois
Chief Executive Officer



Marcus Barthropp
Acting Executive Financial Officer and VP
Corporate Finance

Victoria, British Columbia
August 18, 2022

August 18, 2022



INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors of the Royal British Columbia Museum Corporation, and
To the Minister of Tourism, Arts, Culture and Sport, Province of British Columbia*

Qualified Opinion

I have audited the accompanying financial statements of the Royal British Columbia Museum Corporation ("the entity" or "the Museum"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and accumulated surplus, change in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2022, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

Basis for Qualified Opinion

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Museum in accordance with the ethical requirements that are relevant to my audit of the Museum's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Deferral of Revenues

As described in Note 2 (f) and (g) to the financial statements, the entity's accounting treatment for contributions received from governments and for externally restricted contributions received from non-government sources is to initially record them as deferred revenue (a liability) and then recognize revenue in the statement of operations either on the same basis as the related expenditures occur or, in the case of funds for the purchase or construction of capital assets, to recognize revenue on the same basis as the related assets are amortized. The entity was required to adopt this accounting policy as prescribed by Province of British Columbia Treasury Board Regulation 198/2011.

Under PSAS, the entity's method of accounting for contributions is only appropriate in circumstances where the funding meets the definition of a liability. Otherwise, the appropriate accounting treatment is to record contributions as revenue when they are received or receivable.

In my opinion, certain contributions of the entity do not meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from PSAS.

This departure has existed since the inception of the standard, which applies to periods beginning on or after April 1, 2012. Had the entity made an adjustment for this departure in the current year, the liability for deferred revenue as at March 31, 2022 would have been lower by \$15.4 million, revenue, annual surplus and accumulated surplus would have been higher by \$15.4 million and net debt would have been lower by \$15.4 million.

Control of the Royal British Columbia Museum Foundation

As described in Note 13 to the financial statements, the Royal British Columbia Museum Foundation ("the Foundation") is a registered charity whose sole purpose is to serve the interests of the Museum. In my opinion, the Foundation is controlled by the Museum, and as such, the Foundation should be consolidated on a line-by-line basis and any inter-organizational balances and transactions should be eliminated in the entity's financial statements. The entity does not consolidate the net assets of the Foundation and the results of its operations and cash flows in the entity's financial statements. This represents a departure from PSAS.

The entity's records, along with the unaudited records of the Foundation indicate that the effects of this departure on the financial statements are an understatement of assets of \$15.7 million, an understatement of liabilities of \$0.1 million, an understatement of accumulated surplus of \$14.8 million, an understatement of revenues of \$1.8 million and an understatement of expenses of \$1.0 million.

Public Private Partnership Assets and Liabilities Not Recognized Appropriately

As described in Note 21 to the financial statements, the Museum entered into a Lease Agreement and Theatre Operating Agreement in 1998 for the construction and operation of a large screen motion picture theatre on the entity's premises. This represented the formation of a public private partnership between the Museum and a private sector entity. Upon construction, the theatre and the liabilities associated with its construction in the form of performance obligations were not recognized on the Museum's statement of financial position. This represents a departure from PSAS, as the theatre and the performance obligations did meet the requirements for recognition in the financial statements.

The entity's records indicate that the historical cost of the asset at that time would have been approximately \$6.2 million and the amortization policy applied would have been straight line over 40 years. The liabilities associated with the construction of the asset would have been equivalent to the theatre asset at \$6.2 million, and should have been recognized to revenue on a straight line basis over the 30 year term of the operating agreement. On June 20, 2019, pursuant to the exercise of an option to terminate the terms of the operating agreement, the Museum recognized the theatre as a tangible capital asset at its estimated fair value on that date, along with a liability associated with the termination of the operating agreement. As described above, this asset along with a liability for a corresponding performance obligation under the terms of the agreement should have been recognized when the theatre was constructed, therefore this represents a departure from GAAP.

Had the entity made an adjustment for this departure in the current year, the tangible capital assets, net of amortization, would have been higher by \$1.39 million, expenses would have been lower by \$0.29 million, net surplus would have been higher by \$0.29 million, and accumulated surplus would have been higher by \$1.1 million.

Other Accompanying Information

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the annual service plan report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report, I obtained the Annual Service Plan Report. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report.

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain of its revenues from government transfers, has not consolidated the results of the Foundation and has not recorded the public private partnership assets and liabilities appropriately. I have concluded that the other information is materially misstated for the same reason with respect to the amounts or other items in the annual report affected by this departure from PSAS.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the entity will continue its operations for the foreseeable future.

Auditor's Responsibilities for the Audit of Financial Statements

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.


Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Stuart Newton, CPA, CA
Assistant Auditor General

Victoria, British Columbia, Canada
August 22, 2022

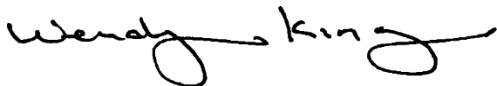
Royal BC Museum Corporation
Statement of Financial Position
As at March 31, 2022

	Notes	2022	2021
Financial Assets			
Cash and cash equivalents	3	\$ 12,179,926	\$ 7,166,285
Accounts receivable	5	2,459,690	4,970,436
Inventory	2(e)	75,925	84,344
		14,715,541	12,221,065
Financial Liabilities			
Accounts payable and accrued liabilities	6	10,760,614	5,904,197
Leave liability	2(d)	460,498	575,571
Deferred revenue	2(f), 7	1,288,863	1,449,694
Deferred capital contributions	2(g), 8	14,954,863	12,532,073
		27,464,838	20,461,535
Net Financial Debt		(12,749,297)	(8,240,470)
Non-Financial Assets			
Tangible capital assets	2(h), 10	41,340,255	38,151,467
Prepaid expenses	2(i)	252,362	165,851
		41,592,617	38,317,317
Accumulated Surplus		28,843,320	30,076,847

Contractual Obligations (Note 14)

Subsequent Events (Note 24)

Approved on behalf of the Board:



Wendy King
Board Vice Chair



Lenora Lee
Chair – Finance and Audit Committee

ROYAL BRITISH COLUMBIA MUSEUM
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31

	Notes	2022 Budget (Note 17)	2022	2021
Revenues				
Provincial operating contributions		\$ 11,866,000	\$ 11,866,000	\$ 11,866,000
Provincial contributions for other purposes		3,917,496	5,169,341	8,507,352
Provincial contributions for land purchase		-	-	14,865,808
Museum admission fees and memberships		2,910,779	4,804,956	1,099,569
Grants and sponsorships		137,640	73,679	99,356
Contributions from RBCM Foundation		474,700	326,893	436,168
Property leases		91,746	114,130	186,198
Programs, services and miscellaneous		781,002	1,347,031	517,336
Amortization of deferred capital contributions	8	862,743	860,308	607,650
Donated collections and artifacts		-	139,163	164,407
Total Revenues		21,042,106	24,701,501	38,349,844
Expenses				
Salaries and benefits		13,542,370	12,743,552	11,800,590
Building costs		2,380,313	2,169,096	1,838,865
Amortization		1,212,052	1,126,162	1,085,345
Security		955,095	1,037,574	835,319
Taxes, City of Victoria		831,908	884,479	788,911
Special exhibitions	9	1,500,000	2,070,796	416,680
Systems and telecommunications		1,002,908	718,867	868,950
Professional services		1,222,074	1,841,812	1,929,093
Materials and supplies		964,363	979,919	453,822
Offsite storage		780,340	802,809	774,948
Marketing and communications		605,312	378,360	345,540
Office and business		490,845	234,088	160,953
Insurance		448,010	354,933	304,041
Travel		60,120	47,174	21,073
Bank charges		50,000	106,376	52,622
Collections and artifacts		-	139,163	164,407
Premium on purchase of asset	21	-	-	1,802,570
Other		235,216	299,867	1,298,656
		26,280,926	25,935,028	24,942,385
Annual Operating Surplus/(Deficit)		(5,238,820)	(1,233,527)	13,407,458
Accumulated Surplus, beginning of year			30,076,848	16,669,390
Accumulated Surplus, end of year	12		\$ 28,843,321	\$ 30,076,848

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31

	2022 Budget	2022	2021
Annual Operating Surplus	\$ (5,238,820)	\$ (1,233,527)	\$ 13,407,458
Acquisition of tangible capital assets	-	(6,076,522)	(15,031,407)
Write-down of tangible capital assets	-	1,761,571	-
Amortization of tangible capital assets	1,212,052	1,126,162	1,085,345
	(4,026,768)	(4,422,316)	(538,604)
Acquisition of prepaid expense	-	(1,279,605)	(945,578)
Use of prepaid expense	-	1,193,095	856,364
	-	(86,510)	(89,214)
Write-down of other assets	-	-	1,200,000
	-	-	1,200,000
(Increase) decrease in net debt	(4,026,768)	(4,508,826)	572,182
Net debt, beginning of year	(8,240,470)	(8,240,470)	(8,812,652)
Net debt, end of period	\$ (12,267,238)	\$ (12,749,296)	\$ (8,240,470)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31

	2022	2021
OPERATING ACTIVITIES		
Annual Operating Surplus (Deficit)	\$ (1,233,527)	\$ 13,407,458
Items not affecting cash:		
Write off of other assets	-	1,200,000
Amortization	1,126,162	1,085,345
Amortization of deferred capital contributions	(860,308)	(607,650)
Write-down of tangible capital assets	1,761,571	-
Changes in operating working capital:		
Accounts receivable	2,510,746	(3,473,945)
Inventory	8,419	(84,344)
Prepaid expenses	(86,512)	(89,214)
Accounts payable and accrued liabilities	4,856,417	1,109,832
Leave liability	(115,073)	196,232
Deferred revenue	(160,831)	261,541
Cash provided by or (used in) operating activities	7,807,064	13,005,255
CAPITAL ACTIVITIES		
Cash used to purchase tangible capital assets	(6,076,522)	(15,031,407)
Cash received for the acquisition of tangible capital assets (excluding land)	3,283,098	4,393,080
Cash from (used for) investing activities	(2,793,424)	(10,638,327)
Increase (decrease) in cash and cash equivalents	5,013,640	2,366,928
Cash and cash equivalents, beginning of year	7,166,285	4,799,357
Cash and cash equivalents, end of month	\$ 12,179,925	\$ 7,166,285

The accompanying notes are an integral part of these financial statements.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

1. Nature of Operations

The Royal British Columbia Museum Corporation (the "Corporation") was formed on April 1, 2003 under the *Museum Act*. The Corporation is wholly owned by the Province of British Columbia, and reports to the Legislative Assembly through the Minister of Tourism, Arts and Culture. As a provincial crown agency, the Corporation is subject to legislative regulations in government reporting Acts which include the *Budget Transparency and Accountability Act* and the *Financial Administration Act*.

The Corporation's mandate is to fulfill the Government's fiduciary responsibilities for public trusteeship of the Provincial collections and exhibitions, including specimens, artifacts, archival and other materials that illustrate the natural and human history of British Columbia. The Corporation is dedicated specifically to the preservation of, and education about, the human and natural history of British Columbia. The collection is preserved for future generations of British Columbians.

The Corporation is exempt from taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

Significant accounting policies used in the preparation of these financial statements are:

(a) Basis of accounting

These financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia which requires that financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to accounting for government transfers as set out in Note 2(g).

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term deposits that are readily convertible to cash and subject to an insignificant risk of change in value. Cash equivalents are: cash held in trust held escrow for land purchase, investments in term deposits that are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days. Cash includes cash on hand and balances held in Canadian bank accounts.

(c) Financial instruments

Financial instruments are accounted for in accordance with the Public Sector Accounting standards 3450. The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and liabilities all of which are reported at amortized cost.

All financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. A financial liability or part is derecognized when it is extinguished.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Significant accounting policies (continued):

(d) Employee future benefits

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act.

i. Pension benefits

All eligible employees participate in a multi-employer, defined benefit pension plan. Defined contribution plan accounting has been applied to this plan as the Corporation has insufficient information to apply defined benefit plan accounting. Accordingly, the Corporation's contributions are expensed in the year in which the services are rendered, and represent its total pension obligation (see note 15).

ii. Other future benefits

Eligible employees are entitled to post-employment health care and other benefits as provided under the terms of employment or collective agreements. The cost of these benefits is accrued as employees render the services necessary to earn them.

iii. Leave Liability

Eligible employees are entitled to accumulated earned, unused vacation and other eligible leave entitlements as provided under terms of employment or collective agreements. A liability is recognized as an event that obligates the Corporation to pay benefits for unused leaves occurs.

(e) Inventories held for sale

Inventories held for sale, comprised of gift shop merchandise and concession product, are recorded at the lower of weighted average cost or net realizable value. Costs includes the purchase price plus shipping and other applicable costs. Net realizable value is the estimated selling price less any costs to sell.

(f) Deferred revenue

Deferred revenue includes restricted funds related to grants for operating projects, future gallery rental deposits, advance admission sales, annual passes, memberships and unredeemed gift cards. Amounts received in advance of rental events are recorded as deferred until event completion. Amounts received in advance for admission and gift cards are recorded when admission occurs. Amounts received in advance for annual passes and memberships are recorded on a straight-line basis over the pass and membership term.

(g) Deferred capital contributions

Funding received for the acquisition of depreciable tangible capital assets is recorded as a deferred capital contribution and is recognized as revenue in the Statement of Operations and Accumulated Surplus in an amount equal to the amortization expense on the related depreciable assets. This policy is in accordance with Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and certain eligibility criteria have been met, unless the transfer

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

2. Significant accounting policies (continued):

contains a stipulation that creates a liability, in which case the transfer would be recognized as revenue over the period in which the liability is extinguished. The impact of the difference in this accounting policy on the financial statements is presented in Note 4.

(h) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Asset costs are amortized on a straight-line basis over their estimated useful lives as follows:

- | | |
|----------------------------------|----------------|
| • Buildings and improvements | up to 40 years |
| • Permanent exhibitions | up to 10 years |
| • Computer hardware and software | up to 10 years |
| • Operating equipment | 5 - 15 years |
| • Vehicles | 3 years |
| • Furniture | 5 years |

Capital assets acquired during the year and under construction are not amortized until they are readily available and placed for use.

When conditions indicate that a tangible capital asset no longer contributes to the Corporation's ability to provide goods and services, or the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value. The write-down is recognized as an expense in the statement of operations and is not reversed in a subsequent period.

In accordance with PS1000 *Financial Statement Concepts*, the collections, including art and historic treasures, are not recorded as assets in the financial statements. Donated collections are recorded as revenue estimated at the fair market value on the date of donation of the gift based on appraisals by independent appraisers. The acquisition of both donated and purchased collections are expensed.

(i) Prepaid expenses

Prepaid expenses include insurance and are charged to expense over the periods expected to benefit from it.

(j) Funds and Reserves

Certain amounts, as approved by the Board of Directors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved as described in Note 12.

(k) Revenue Recognition

Government transfers are recognized in the financial statements as revenue when the transfer is authorized, and all eligibility criteria have been met and reasonable estimates of the amount can be made with two exceptions. The first exception is when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met. The second exception occurs for transfers received related to depreciable tangible capital assets, received for capital contributions as described in Note 2(g).

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Significant accounting policies (continued):

Admission, service, venue revenue and program fees are recognized as revenue as the service is provided. Annual passes and membership fees are recognized as revenue on a straight-line basis over the term of the pass or membership.

Investment income and miscellaneous revenue is recognized as earned. Royalties and rental revenues are recognized when earned in accordance with specified agreements when the amounts can be reasonably estimated and receipt is likely.

Grants that are required to be used for specific operational projects by external parties or government are recognized as revenue in the period in which the resources are used for the purpose or purposes specified, in accordance with the terms of the funding agreement. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified, with an exception for grants received to acquire depreciable capital assets.

Contributions provided for capital projects by external parties or governments are deferred and recognized as revenue on the same basis the related assets are amortized, either in accordance with the terms of the funding agreement, or in accordance with Note 2(g) with the exception of grants for purchase of land that are recognized as revenue in the period that the land is purchased.

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the fiscal year is expensed.

(m) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Estimates included in these financial statements are accrued assets and liabilities, collectability of accounts receivable, leave liability, and estimated useful life of tangible capital assets.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

3. Cash and Cash Equivalents

The cash and cash equivalents, reported on the Statement of Financial Position, are made up of the following:

	2022	2021
Cash	\$ 9,787,324	\$ 2,140,536
Cash Equivalents	39,043	25,749
Cash Held in Trust- Holdback for Land Purchase	2,353,559	5,000,000
Total Cash and Cash Equivalents	\$ 12,179,926	\$ 7,166,285

4. Impact of Accounting for Government Transfers and Restricted Contributions in accordance with section 23.1 of the *Budget Transparency and Accountability Act*

If the Corporation adopted Canadian public sector accounting standards excluding the modifications as described in the Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23, the impact on the financial statements is presented as follows:

	2022	2021
	Increase/ (Decrease)	Increase/ (Decrease)
Statement of Financial Position		
Deferred capital contributions	\$ 14,954,863	\$ 12,532,073
Deferred revenue	406,072	318,626
Accumulated surplus	\$ 15,360,935	\$ 12,850,699
Statement of Operations and Accumulated Surplus		
Amortization of deferred capital contributions	\$ (860,308)	\$ (607,650)
Annual operating (surplus) deficit	\$ (860,308)	\$ (607,650)

5. Accounts Receivable

	Balance at March 31, 2022	Balance at March 31, 2021
Provincial	\$ 2,203,208	\$ 4,594,663
Federal	67,876	191,878
Other	188,606	183,895
Total	\$ 2,459,690	\$ 4,970,436

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

6. Accounts Payable and Accrued Liabilities

	2022	2021
Provincial Government	\$ 9,270,042	\$ 4,095,864
Federal Government	6,183	2,001
Other	1,484,389	1,806,332
Total	\$ 10,760,614	\$ 5,904,197

7. Deferred Revenue

Deferred revenue includes restricted funds related to grants for operating projects and unrestricted funds for future gallery rental deposits, advance admission sales, memberships and unredeemed gift cards.

	Balance at March 31, 2021	Additions/ Adjustments	Recognized to revenue	Balance at March 31, 2022
<i>Restricted funds</i>				
Provincial	\$ 318,626	\$ 406,072	\$ (318,626)	\$ 406,072
Federal	145,853	-	(14,072)	131,781
Other	517,099	66,542	(187,650)	395,991
<i>Unrestricted</i>				
Other	468,116	1,401,800	(1,514,897)	355,019
Total	\$ 1,449,694	\$ 1,874,414	\$ (2,035,245)	\$ 1,288,863

8. Deferred Capital Contributions

Deferred capital contributions include funds received for the land and development costs for a collection and research building as well as facilities upgrades including: HVAC systems, lighting and electrical.

	Balance at March 31, 2021	Additions transfers	Amortized/Write-downs to revenue	Balance at March 31, 2022
Provincial government	\$ 9,589,041	\$ 3,283,098	\$ 649,092	\$ 12,223,047
Federal government	2,238,861	-	148,177	2,090,684
Other	704,171	-	63,039	641,132
Total	\$ 12,532,073	\$ 3,283,098	\$ 860,308	\$ 14,954,863

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

9. Special Exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and to encourage repeat visitation. Costs allocated to special exhibitions are those additional costs which are directly incurred to host and display the exhibition. Materials and Supplies include exhibition loan fees where applicable. In fiscal year 2022, exhibition costs were incurred for: *Orcas: Our Shared Future*. Other expenses include the write down of OCRA exhibition costs previously capitalized in the amount of \$1,557,023. The write down reflects managements' assessment of future net revenue potential of the ORCA exhibit.

		2022		2021
Salaries and benefits	\$	-	\$	-
Professional Services contracts		18,002		20,436
Marketing and communications		248,766		164,391
Materials and supplies		107,088		161,797
Other		1,696,940		70,056
Total	\$	2,070,796	\$	416,680

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

10. Tangible Capital Assets				
Cost	Balance at March 31, 2021	Additions	Disposals/ Write-downs	Balance at March 31, 2022
Land	\$ 22,574,402	\$ 2,681,850	\$ -	\$ 25,256,253
Permanent exhibitions	3,349,255	\$ -	\$ (2,238,848)	\$ 1,110,407
Operating equipment	2,172,914	\$ 330,222	\$ -	\$ 2,503,136
Hardware and software	3,647,807	\$ 152,853	\$ -	\$ 3,800,660
Furniture	31,340	\$ -	\$ -	\$ 31,340
Buildings and improvements	17,889,238	\$ 2,911,595	\$ -	\$ 20,800,834
Total	\$ 49,664,957	\$ 6,076,521	\$ (2,238,848)	\$ 53,502,630
Accumulated Amortization	Balance at March 31, 2021	Amortization	Accumulated Amortization on Disposals/ Write-downs	Balance at March 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Permanent exhibitions	1,553,593	34,091	(477,277)	1,110,407
Operating equipment	797,020	163,261	-	960,282
Hardware and software	3,081,429	288,890	-	3,370,319
Furniture	31,340	-	-	31,340
Buildings and improvements	6,050,107	639,920	-	6,690,027
Total	\$ 11,513,489	\$ 1,126,162	\$ (477,277)	\$ 12,162,375
Net Book Value	Balance at March 31, 2021			Balance at March 31, 2022
Land	\$ 22,574,402			\$ 25,256,253
Permanent exhibitions	1,795,662			-
Operating equipment	1,375,894			1,542,854
Hardware and software	566,378			430,341
Furniture	-			-
Buildings and improvements	11,839,132			14,110,807
Total	\$ 38,151,467			\$ 41,340,255

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

10. Tangible Capital Assets (Continued)

At March 31, 2022 the capital projects in progress include:

Land under development	12,746,113
Operating equipment	327,112
Hardware and software	29,883
Buildings and improvements	4,627,382
Total capital projects not placed into use	<u>17,730,490</u>

Land under development includes land purchased and development of collection and research building, anticipated to complete in Spring 2025. Amortization of these assets, excluding land, will commence when building is placed into service.

Disposals/write-downs for 2022: \$1,795,662, (2021: \$0) reflects management decision to close down the Our Living Languages exhibit on the 3rd floor of the museum (NBV of \$238K) and the ORCA exhibit previously capitalized of \$1,557,023 write down due to reflect management's assessment of the net revenue potential of the OCRA exhibit.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

10. Tangible Capital Assets (Continued)

Cost	Balance at March 31, 2020	Additions	Disposals	Balance at March 31, 2021
Land	\$ 12,510,140	\$ 10,064,262	\$ -	\$ 22,574,402
Permanent exhibitions	2,872,278	476,977	-	3,349,255
Operating equipment	937,548	1,235,366	-	2,172,914
Hardware and software	3,467,698	180,109	-	3,647,807
Furniture	31,340	-	-	31,340
Buildings and improvements	14,814,545	3,074,693	-	17,889,238
Total	\$ 34,633,549	\$ 15,031,407	\$ -	\$ 49,664,956

Accumulated Amortization	Balance at March 31, 2020	Amortization	Accumulated Amortization on Disposals	Balance at March 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Permanent exhibitions	1,485,414	68,179	-	1,553,593
Operating equipment	682,574	114,446	-	797,020
Hardware and software	2,776,522	304,907	-	3,081,429
Furniture	31,339	1	-	31,340
Buildings and improvements	5,452,297	597,810	-	6,050,107
Total	\$ 10,428,146	\$ 1,085,343	\$ -	\$ 11,513,489

Net Book Value	Balance at March 31, 2020	Balance at March 31, 2021
Land	\$ 12,510,140	\$ 22,574,402
Permanent exhibitions	1,386,864	1,795,662
Operating equipment	254,974	1,375,894
Hardware and software	691,176	566,378
Furniture	1	-
Buildings and improvements	9,362,248	11,839,131
Total	\$ 24,205,403	\$ 38,151,467

At March 31, 2021 the capital projects in progress include:

- Land under development \$ 10,064,262
- Permanent exhibitions 1,557,023
- Operating Equipment 18,835
- Hardware and software 7,400
- Buildings and improvements 1,715,786

Total capital projects not placed into use **\$13,363,306**

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

11. Collections and Artifacts

The Corporation conducts a Collections Risk Assessment to assess the overall risk of deterioration, loss and to best plan for long-term conservation of artifacts and records. The last assessment was done in fiscal 2016. The Corporation determined as at March 31, 2016, the collections consisted of approximately 7.7 million artifacts, specimens and archival records. During the 2022 fiscal year, the Corporation de-accessioned 33 batches (2021: 6) and accessioned 224 batches (2021: 193) to its collections through the acquisition, purchase and accessioning process. The collections are valued at \$190 million for insurance purposes.

12. Accumulated Operating Surplus

Accumulated operating surplus consists of individual fund surplus and reserves as follows:

	Balance at March 31, 2021	Additions	Uses	Balance at March 31, 2022
Unappropriated operating surplus	\$ 27,729,276	\$ -	\$(1,233,528)	\$ 26,495,748
Amounts reserved for future use on:				
Capital expenditures	1,173,786	-	-	1,173,786
Operating	1,173,786	-	-	1,173,786
Total reserves	2,347,572	-	-	2,347,572
Total accumulated operating surplus	\$ 30,076,848	\$ -	\$(1,233,528)	\$ 28,843,320

Certain amounts are set aside in accumulated operating surplus for future financial obligations and the purchase of capital assets. The operating deficit of \$1,233,528 has not been allocated to any reserves.

Capital reserve: the purpose of this reserve is to help stabilize large fluctuations in capital spending from one year to the next. This reserve assists in the financing of these expenditures to limit the impact to revenue requirements in those years.

Operating reserve: the purpose of this reserve is to finance an unintended deficit. Unintended deficits would be caused largely by unexpected costs for items that are outside management's control or by admission revenues lower than anticipated.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

13. The Royal British Columbia Museum Foundation

The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The purposes of the Foundation are to undertake charitable activities that promote and support the aims, interests and activities of the Royal British Columbia Museum Corporation.

The Foundation has internally restricted funds of approximately \$7,725,000 (2021 - \$6,175,090), which are reserved for specific projects for transfer to the Corporation in future years.

During the year, the following amounts paid by the Foundation to the Corporation were accrued:

		2022		2021
Funding for non-capital projects	\$	326,893	\$	436,168
Purchases of goods and services		55,930		44,965
Total	\$	382,823	\$	481,133

As at March 31, 2022 \$96,504 is due from the Foundation to the Corporation and is included in the accounts receivable (2021: \$132,749)

During the year, the following amounts were paid from the Corporation to the Foundation:

		2022		2021
Purchases of goods and services		18,499		21,120
Total	\$	18,499	\$	21,120

As at March 31, 2022 \$74 is due from the Corporation to the Foundation and is included in the accounts payable (2021: \$1,534).

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

14. Contractual Obligations

Information Technology Support Contract

On November 1, 2017, the Corporation entered into a 5 year service agreement for the provision of helpdesk and technical infrastructure support services expiring October 31, 2022. Under the terms of the agreement, the Corporation will pay fixed and variable fees. Fixed fees are as follows:

2023		209,475
Total	\$	209,475

Security Contract

In April 2019 the Corporation exercised a 5 year extension to the previous service agreement for the provision of security services expiring March 31, 2024. Under the terms of the agreement, the Corporation will pay annual fees as follows:

2023		1,068,064
2024		1,091,966
Total	\$	2,160,030

Additionally, the Corporation will pay for direct security costs as incurred by the contractor for special events, late openings and other functions that require additional security services.

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts expiring on April 30, 2025. Additional leased warehouse storage space was acquired for the period June 1, 2022 to May 30, 2030. Future minimum payments are as follows:

2023	\$	653,855
2024		735,454
2025		740,840
2026		559,813
2027		531,660
2028		486,564
2029		491,243
2030		491,243
2031		81,874
Total		\$ 4,772,544

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2025. These costs amounted to \$62,334 in fiscal year 2022.

The Corporation may incur additional costs associated with accessing, adding or removing pallets from Cold Storage.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

14. Contractual Obligations (Continued)

Janitorial Services Contract

On December 1, 2020 the Corporation entered into a 2-year service agreement for the provision of janitorial services expiring November 30, 2022, with option for additional three one-year options to renew. Under the terms of the agreement, the Corporation will pay a fixed fee. The maximum future payments are as follows:

2023	\$	317,522
Total	\$	317,522

In addition, the Corporation will be invoiced at cost for janitorial consumables (approximately \$20,500 for 12 months).

15. Employee Pension Plan

The Corporation and its employees contribute to the Public Service Pension Plan, a jointly trustee pension plan. The Public Service Pension Plan Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The Public Service Pension Plan has approximately 137,000 active, inactive and retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the funding. The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of \$2.667 billion for basic pension benefits. The next valuation will be as at March 31, 2023.

Employers participating in the plan record their pension expenses as the amount of employer contributions made during the fiscal year. This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, and therefore there is no consistent and reliable basis for allocating the obligation, assets and costs to individual employers participating in the plan.

16. Related Party Transactions

The Corporation is related through common ownership to all Province of BC Ministries, agencies, Crown corporations, and all public sector organizations such as school districts, colleges, universities, and health authorities that are included in the provincial government reporting entity. In addition, senior management, directors, immediate family members of senior management and directors, and companies with which any of the above have a financial interest are also considered related parties. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

17. Budget Figures

Budget figures have been provided for comparative purposes and are from the Corporations Fiscal 2021/2022 Budget approved by the Royal BC Museum Corporation Board of Directors on March 21, 2021 and published in the Corporation's Service Plan. The budget is reflected in the statement of operations and accumulated surplus and the statement of changes in net debt.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

18. Financial Risk Management

It is management's opinion that the Corporation is not exposed to significant liquidity or credit risks arising from these financial instruments.

Liquidity Risk: Cash and cash equivalents are held with financially sound Canadian institutions and as such liquidity risk is not significant.

Credit Risk: Receivable balances consist primarily of trade receivables. At the financial statement date, less than 1% of the accounts receivable balance is past due and none is considered to be impaired. As such the Corporation is not exposed to significant credit risk.

Interest Rate Risk: The Corporation is exposed to interest rate risk through its cash equivalents. It is management's opinion that the Corporation is not exposed to significant interest rate risk as it invests solely in term deposits that have a maturity date of no more than 91 days.

19. Statement of Remeasurement Gains and Losses

A Statement of Remeasurement Gains and Losses has not been included in these financial statements because the Corporation does not have any accumulated remeasurement gains and losses or current period remeasurement gains and losses to report.

20. Comparative Figures

Certain comparative figures, have been restated to conform to current year's presentation.

21. IMAX Theatre Purchase – Fiscal 2021

The purchase of the IMAX Theatre was reflected in prior years financial statements. On June 20, 2019, the museum exercised an option under the IMAX Theatre lease agreement, which constituted a binding purchase and sale agreement for the Optioned Assets (lease improvements and furniture fixtures, equipment, and all interest under the lease). Under the agreement, the purchase price was based on the fair market value of the Optioned Assets as of March 31, 2019 adjusted for cash flow from the continued operations of the Theatre to the closing date as determined by an independent appraiser in accordance with terms in the Lease. The closing date was August 29, 2020 and the statement of operations reflects the results from the Theatre operations from that date forwards.

The prior year purchase transaction of assets acquired in fiscal 2021 were:

	Funded	Unfunded	Total
Building	\$ 1,358,902		\$1,358,902
Equipment	1,053,727		1,053,727
Furniture	70,369		70,369
Fair market value of the assets acquired	\$ 2,482,998	\$ -	\$2,482,998
 Premium expense	 1,233,580	 568,990	 \$1,802,570
 Purchase Price	 \$ 3,716,578	 \$ 568,990	 \$4,285,568

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

The fiscal 2021 amount of consideration paid was: \$3,716,578 including taxes, of which \$1,233,580 was charged to purchase premium expense. As well as expenses related to the acquisition of \$568,990 and were also expensed to purchase price premium in fiscal 2021.

22. Economic Dependence

The Corporation is dependent on continued funding from the Province of British Columbia to carry out its normal activities.

23. COVID-19 Impact

COVID-19 continued to impact the Corporation's operations in 2022, although by mid-year most pandemic restrictions had been removed and visitor volumes recovered to near pre-pandemic levels despite the fact international tourism was slower to recover. The Corporation expects conditions to continue to improve gradually throughout 2023.

In 2022 the Corporation received additional funding of \$2.3M (\$3.4M in 2021) from the Province of British Columbia to offset losses from the pandemic.

24. Subsequent Events

As at March 31, 2022, the Province approved funding to rebuild the Royal BC Museum, with a planned closure date of September 5, 2022. On June 22, 2022, the Province announced it was halting these plans, and that the Corporation would remain open while leading broad community engagement to consider all options for the future of the Museum.