

Royal BC Museum Corporation

**Statement of Financial Information
for the Year ended March 31, 2015**

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Included in audited financial statements:

- Statement of Financial Position
- Statement of Operations
- Statement of Changes in Net Financial Position
- Statement of Cash Flows

Included separately:

- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
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- Statement of Severance Agreements
- Schedule of Supplier Payments

Statement of Financial Information Act Approval

The undersigned represents the Board of Directors of the Royal BC Museum Corporation and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Name Melissa Sands
Title Executive Financial Officer, Royal BC Museum Corporation

Date



Name Daphne Corbett
Title Chair, Finance and Audit Committee, Royal BC Museum Corporation

Date

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2015

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

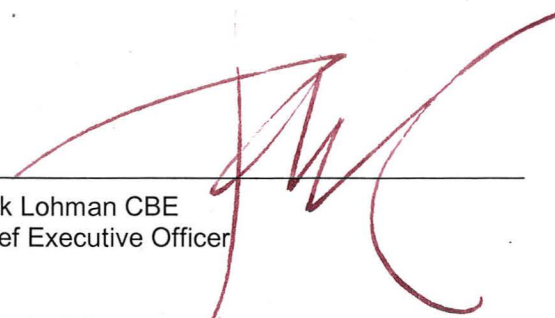
MANAGEMENT'S REPORT

The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and the integrity and objectivity of the data in these financial statements are management's responsibility. Financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management is also responsible for the safeguarding of financial and operating systems, which include effective controls to provide reasonable assurance that the Corporation's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Finance and Audit Committee. The Finance and Audit Committee meets regularly with management and the external auditors have full and free access to the Committee. The Board of Directors, whose members are not involved in the day-to-day activities of the Corporation, are responsible for the review and approval of the financial statements.

Grant Thornton has audited the financial statements in accordance with Canadian auditing standards.



Jack Lohman CBE
Chief Executive Officer



Melissa Sands CPA, CA
Executive Financial Officer

Victoria, BC
May 14, 2015

Independent Auditors' Report

Grant Thornton LLP
3rd Floor
888 Fort Street
Victoria, BC
V8W 1H8
T +1 250 383 4191
F +1 250 381 4623
www.GrantThornton.ca

To the Board of Directors of the Royal British Columbia Museum Corporation

We have audited the accompanying financial statements of the Royal British Columbia Museum Corporation, which comprise the statement of financial position as at March 31, 2015 and the statements of operations, changes in net financial position, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Royal British Columbia Museum Corporation for the year ended March 31, 2015, are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 2(f) to the financial statements which discloses that the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia are in accordance with Canadian public sector accounting standards except in regard to the accounting treatment of government transfers and restricted contributions. Note 5 to the financial statements discloses the impact of these differences.

Victoria, Canada
May 14, 2015



Chartered accountants



ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015

	March 31, 2015	March 31, 2014
Financial Assets		
Cash and cash equivalents (Note 2(b))	\$ 3,075,329	\$ 5,772,938
Accounts receivable	374,468	175,466
	3,449,797	5,948,404
 Financial Liabilities		
Accounts payable and accrued liabilities	2,921,239	1,766,617
Leave liability (Note 2(i))	307,406	329,185
Deferred revenue (Note 7)	1,826,050	5,381,431
Deferred capital contributions (Note 8)	10,371,326	10,345,655
	15,426,021	17,822,888
Net Financial Position	(11,976,224)	(11,874,484)
 Non-Financial Assets		
Tangible capital assets (Note 10)	24,673,816	24,266,199
Prepaid expenses	251,866	509,369
	24,925,682	24,775,568
Accumulated Surplus	\$ 12,949,458	\$ 12,901,084

Commitments (Note 13)

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

ON BEHALF OF THE BOARD:

 <hr style="border: 0.5px solid black;"/> Director	 <hr style="border: 0.5px solid black;"/> Director
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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31

	2015 Budget (Note 4)	2015	2014
Revenues			
Provincial operating contributions	\$ 11,866,000	\$ 11,866,000	11,866,000
Museum admission fees and memberships	4,259,011	5,147,833	3,604,247
Grants and sponsorships	1,562,728	1,427,778	1,705,954
Property leases	767,960	796,007	754,916
Programs, services and miscellaneous	611,059	566,796	539,653
Amortization of deferred capital contributions (Note 8)	592,413	656,154	615,243
Donated collections and artifacts (Note 2(g))	-	123,375	315,351
	<u>19,659,171</u>	<u>20,583,943</u>	<u>19,401,364</u>
Expenses			
Salaries and benefits	9,058,151	8,603,887	8,303,463
Building costs	1,992,125	2,186,293	2,217,313
Professional services	865,079	1,868,611	1,381,930
Special exhibitions (Note 9)	1,443,000	1,575,831	1,215,017
Amortization	1,171,639	1,175,492	1,203,558
Security	905,777	818,934	933,959
Systems and telecommunications	798,930	787,250	768,804
Offsite Storage	717,980	691,084	490,116
Taxes, City of Victoria	683,310	639,046	654,126
Marketing and communications	444,906	496,617	510,358
Materials and supplies	439,594	475,439	448,268
Office and business	403,118	465,083	421,105
Travel	302,171	273,480	220,278
Insurance	240,000	203,326	197,699
Bank charges	90,000	105,993	82,610
Collections and artifacts	-	123,375	315,351
Other	63,358	45,828	15,189
	<u>19,619,138</u>	<u>20,535,569</u>	<u>19,379,144</u>
Annual Surplus	40,033	48,374	22,220
Accumulated Surplus, beginning of year	12,901,084	12,901,084	12,878,864
Accumulated Surplus, end of year	<u>\$ 12,941,117</u>	<u>\$ 12,949,458</u>	<u>\$ 12,901,084</u>

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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CHANGES IN NET FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31

	2015 Budget (Note 4)	2015	2014
Annual Surplus	\$ 40,033	\$ 48,374	\$ 22,220
Acquisition of tangible capital assets	(2,305,000)	(1,583,109)	(981,553)
Amortization of tangible capital assets	1,171,638	1,175,492	1,203,558
	(1,093,329)	(359,243)	244,225
Acquisition of prepaid expense	-	(251,866)	(506,975)
Use of prepaid expense	-	509,369	492,224
	-	257,503	(14,751)
Change in net financial position	(1,093,329)	(101,740)	229,474
Net financial position, beginning of year	(11,874,484)	(11,874,484)	(12,103,958)
Net financial position, end of year	\$ (12,967,813)	\$ (11,976,224)	\$ (11,874,484)

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

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

	2015	2014
OPERATING ACTIVITIES		
Cash received from the Province of British Columbia	\$ 8,961,272	\$ 14,832,500
Cash received from admission fees and memberships	5,196,069	3,613,034
Cash received from other income	1,892,691	3,604,070
Cash paid for salaries and benefits	(7,836,098)	(8,241,016)
Cash paid for building costs, taxes and security	(3,699,210)	(3,761,988)
Cash paid for materials and services	(5,106,756)	(4,678,725)
Cash paid for special exhibitions	(1,327,635)	(1,694,250)
Cash (used) provided from operating activities	(1,919,667)	3,673,625
INVESTING ACTIVITIES		
Cash used to purchase tangible capital assets	(1,459,766)	(521,989)
Cash received for purchase of tangible capital assets	681,824	-
Cash used for investing activities	(777,942)	(521,989)
Increase (decrease) in cash and cash equivalents	(2,697,609)	3,151,636
Cash And Cash Equivalentents, beginning of year	5,772,938	2,621,302
Cash and Cash Equivalentents, end of year	\$ 3,075,329	\$ 5,772,938

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, 2015

1. Nature of operations

The Royal British Columbia Museum Corporation (the "Corporation") is a Crown Corporation of the Province of British Columbia without share capital, incorporated on April 1, 2003 under the *Museum Act*. The Corporation is a tax-exempt body under Section 149(1)(d) of the *Income Tax Act*.

The purpose of the Corporation 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.

2. Summary of significant accounting policies

(a) Basis of presentation

The 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. This Section requires that the financial statements be prepared in accordance with Canadian public sector accounting standards except in regard to the accounting for government transfers as described in Note 2(f).

(b) Cash and cash equivalents

Cash includes cash on hand and balances held in Canadian bank accounts. Cash equivalents are investments in term deposits and 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.

(c) Financial instruments

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities all of which are reported at amortized cost.

(d) Revenue recognition

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, eligibility criteria are met and reasonable estimates of the amount can be made, with the exception of transfers received for capital contributions as described in Note 2(f).

Admission and program fees are recognized as revenue on the date the service is provided. Membership fees are recognized as revenue on a straight-line basis over the term of the membership.

Investment, royalty and rental revenues are recognized when earned in accordance with specified agreements when the amounts can be reasonably estimated and receipt is likely.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

Summary of significant accounting policies continued

Grants provided for operational projects by external parties or governments are recognized in the period in which the resources are used, in accordance with the terms of the funding agreement.

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, in accordance with the terms of the funding agreement.

(e) Tangible capital assets

Tangible capital assets are reported at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

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

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

(f) Deferred contributions

Funding received for the acquisition of depreciable tangible capital assets is recorded as a deferred contribution and is recognized as revenue in the Statement of Operations 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 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 5.

(g) Collections

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 of the gift based on appraisals by independent appraisers. The acquisition of both donated and purchased collections are expensed.

(h) Volunteers

During the year, volunteers contributed approximately 46,222 (2014: 40,000) hours in support of the Corporation. Their activities include guided gallery tours and a variety of programs that enrich

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

the visitor's experience at the Corporation and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(i) Employee benefit plans

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The Plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. These contributions to the plan are expensed as incurred. The most recent actuarial valuation (March 31, 2014) determined the Plan had a surplus of \$392 million. The contribution rates have remained unchanged since April 1, 2012. Contributions to the Plan by the Corporation were \$607,860 in 2015 and \$582,680 in 2014.

The Corporation annually contributes through the Provincial Government payroll benefit plan for specific termination benefits and employee benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Corporation pays through the Provincial Government is 25%. Costs of future benefits are recognized as an expense in the year that contributions are paid.

The Corporation administers a leave liability bank consisting of unused vacation earned. The full value of any accumulated vacation is paid upon retirement or termination.

(j) Use of estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. This includes and is not limited to the useful lives of capital assets.

3. Statement of Remeasurement

A Statement of Remeasurement has not been included in these financial statements. Management has determined that it would not provide any additional meaningful information as the Corporation did not recognize any remeasurement gains or losses during the year.

4. Budget

Budgeted figures provided in these statements were approved by the Finance and Audit Committee on April 24, 2014.

5. Emphasis of Matter

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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23, the impact on the financial statements is presented as follows:

	2015	2014
	(Increase)/ Decrease	(Increase)/ Decrease
Statement of Financial Position		
Deferred capital contributions	\$ 10,371,326	\$ 10,345,655
Accumulated surplus	\$ (10,371,326)	\$ (10,345,655)
Statement of Operations		
Amortization of deferred capital contributions	\$ 656,154	\$ 615,242
Annual (surplus) deficit	\$ 656,154	\$ 615,242

6. Financial risk management

In the normal course of operations, the Corporation is exposed to risks that can affect its operating performance. The Corporation has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and currency risk. Management and the Board of the Corporation ensure that the Corporation identifies and monitors its risks.

Liquidity Risk: Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they become due.

Credit Risk: Credit risk is the risk of financial loss to a Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise primarily from certain assets held consisting of cash and cash equivalents and accounts receivable. Cash and cash equivalents are held with financially sound institutions and as such liquidity risk is not significant.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the Corporation is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are not significant.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

7. Deferred revenue

Deferred revenue includes funds related to grants for restricted operating projects, future gallery rental deposits, advance admission sales, memberships and unredeemed gift cards. There are no operational restrictions associated with the grants received for operating projects.

	2015		2014	
Restricted	\$	1,412,986	\$	2,057,729
Other Deferred Revenue		413,064		3,323,702
Total	\$	1,826,050	\$	5,381,431

8. Deferred capital contributions

Deferred capital contributions include funds received for construction of permanent exhibitions as well as facilities upgrades including HVAC systems, elevators, lighting and electrical capacity upgrades and permanent exhibits.

	Balance at March 31, 2014		Additions/ (transfer)	Amortized to Revenue	Balance at March 31, 2015	
Provincial government	\$	5,177,079	\$ -	\$ 150,322	\$	5,026,756
Federal government		3,372,856	-	167,966		3,204,891
Other		1,795,720	681,825	337,866		2,139,679
Total	\$	10,345,655	\$ 681,825	\$ 656,154	\$	10,371,326

9. Special exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and encourage repeat visitation. In fiscal year 2015 these included: *Vikings*, *Our Living Languages*, *British Columbia Remembers: The Great War and 2014 Wildlife Photographer of the Year*. In fiscal year 2014 these included: *Race to the End of the Earth* and *Wildlife Photographer of the Year*. Costs allocated to special exhibitions are those additional costs which are directly incurred to host the exhibition. Professional service contract expenses include exhibition loan fees where applicable.

	2015		2014	
Salaries and benefits	\$	161,512	\$	73,545
Professional service contracts		853,866		566,190
Marketing and communications		424,704		356,869
Materials and supplies		72,599		144,297
Other		63,150		74,116
Total	\$	1,575,831	\$	1,215,017

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

10. Tangible capital assets

Cost	Balance at		Additions	Disposals	Balance at	
	March 31, 2014				March 31, 2015	
Land	\$	12,510,140	\$ -	\$ -	\$	12,510,140
Permanent exhibitions *		2,002,192	941,115	-		2,943,306
Operating equipment		495,209	98,031	-		593,240
Hardware and software		1,997,012	385,199	-		2,382,211
Furniture		31,340	-	-		31,340
Buildings and improvements		12,299,715	158,764	-		12,458,479
Total	\$	29,335,608	\$ 1,583,109	\$ -	\$	30,918,717

Accumulated Amortization	Balance at		Amortization	Accumulated	Balance at	
	March 31, 2014			Amortization on	March 31, 2015	
				Disposals		
Land	\$	-	\$ -	\$ -	\$	-
Permanent exhibitions		1,357,634	121,260	-		1,478,895
Operating equipment		299,180	71,943	-		371,123
Hardware and software		1,230,090	452,606	-		1,682,696
Furniture		18,258	4,790	-		23,048
Buildings and improvements		2,164,247	524,892	-		2,689,139
Total	\$	5,069,409	\$ 1,175,492	\$ -	\$	6,244,901

Net Book Value	Balance at		Balance at	
	March 31, 2014		March 31, 2015	
Land	\$	12,510,140	\$	12,510,140
Permanent exhibitions		644,557		1,464,412
Operating equipment		196,029		222,117
Hardware and software		766,923		699,515
Furniture		13,082		8,292
Buildings and improvements		10,135,468		9,769,340
Total	\$	24,266,199	\$	24,673,816

* Permanent Exhibitions includes \$740,273 related to Gold Rush Exhibition in Work in Progress

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

11. Collections

As at March 31, 2015, the collections consisted of approximately 7.2 million artifacts, specimens and archival records (2014: 7.2 million). During the year, the Corporation de-accessioned 32 batches (2014: 4) and accessioned 166 batches (2014: 500) to its collections through the acquisition, purchase and accessioning process. The collections are valued at \$150 million for insurance purposes.

12. The Royal British Columbia Museum Foundation

The Corporation has an economic interest in the Royal British Columbia Museum Foundation (the "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 Foundation was incorporated to support activities on behalf of the Corporation. The principal activities of the Foundation are the operation of the Royal Museum Shop, the management of donations, bequests, endowments and the support of projects undertaken by the Corporation.

The Foundation has internally restricted funds of approximately \$3,322,000 (2014 - \$3,116,000), which are reserved for specific projects for transfer to the Corporation in future years.

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

	2015	2014
Funding for non-capital projects	\$ 823,606	\$ 1,727,873
Gift shop royalties	-	41,852
Purchase of goods and services	76,369	44,469
Total	\$ 899,975	\$ 1,814,194

As at March 31, 2015, \$143,160 is due from the Foundation to the Corporation and is included in the accounts receivable balance (2014: \$10,218).

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

	2015	2014
Donations	\$ 26,258	-
Purchase of goods and services	4,112	11,183
Total	\$ 30,370	\$ 11,183

As at March 31, 2015, \$607 is due from the Corporation to the Foundation and is included in the accounts payable balance (2014: \$6,637).

During the year, the CEO of the Corporation was independently contracted by the Foundation to provide professional consulting services with respect to fundraising.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

13. Commitments

Operating Agreement

The Corporation has entered into a Theatre Operating Agreement for the operation of a large screen motion picture theatre on the Corporation's premises. Under the terms of the Agreement, the Corporation will be paid a royalty from the theatre including certain negotiated adjustments, plus specific amounts for additional operating costs. The term of the Agreement is 30 years and expires June 24, 2028.

Property Management Contract

The Corporation has entered into a 5 year service agreement for the provision of building management and maintenance services expiring March 31, 2020. Under the terms of the agreement, the Corporation will pay annual management fees based on 14% of the preventive and maintenance budget (2016 budget: \$745,000). Although the preventive and maintenance budget will likely change over time, the direction and amount of change cannot be estimated with certainty. Forecasting property management costs based on current budget levels result in the following obligations:

2016	\$	104,300
2017		104,300
2018		104,300
2019		104,300
2020		104,300
Total	\$	521,500

Additionally, the Corporation will pay for direct maintenance costs as incurred by the contractor.

Information Technology Support Contract

The Corporation has extended to October 31, 2015 a service agreement for the provision of helpdesk and technical infrastructure support services. Under the terms of the agreement, the Corporation will pay fixed and variable fees. Fixed fees are as follows:

2015	\$	218,890
Total	\$	218,890

Security Contract

In May 2014 the Corporation entered into a 5 year service agreement for the provision of security services expiring March 31, 2019. Under the terms of the agreement, the Corporation will pay annual fees as follows:

2016	\$	790,150
2017		805,953
2018		822,072
2019		838,513
Total	\$	3,256,688

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

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.

Exhibition Loan Fees

The Corporation has a commitment to disburse the following fees related to the loan of artifacts and objects. Future anticipated payments are as follows:

2016	\$	94,813
2017		94,813
Total	\$	189,626

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts which expire on April 30, 2020 and January 31, 2017 respectively. Future minimum payments are as follows:

2016	\$	251,953
2017		240,913
2018		176,970
2019		176,970
2020		176,970
Total	\$	1,023,776

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2020. These costs amounted to \$39,145 in fiscal year 2015.

14. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Schedule of Debts

Royal BC Museum Corporation has no outstanding debt instruments at March 31, 2015

Schedule of Guarantee and Indemnity Agreements

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Members of the Board of Directors are volunteers and receive no remuneration for their roles on the Board.

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>
Knott, Susan (Vancouver)	Chair	\$ -	\$ 1,521
Adams, David (Victoria)	Director	-	1,204
Corbett, Daphne (Victoria)	Director	-	139
Dale-Johnson, Heidi (Vancouver)	Director	-	680
Evans, Garth (Vancouver)	Director	-	1,832
Kennedy, Lynne (Vancouver)	Director (retired)	-	539
King, Wendy (Vancouver)	Director	-	115
Palmer-Edgecumbe, Mark (Zurich)	Director	-	2,754
Point, Steven (Chilliwack)	Director (retired)	-	0
Protti, Raymond (Victoria)	Director	-	779
Sanatani, Suromitra (Victoria)	Director (retired)	-	2,421
Segarty, Terry (Cranbrook)	Director	-	1,353
Wesley, Angela (Terrace)	Director	-	787
		\$ -	\$ 14,123

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>
Alexander, David M	Head of New Archives & Digital Preservation	\$ 82,118	\$ 6,273
Barthropp, Marcus	A/Executive Financial Officer	89,255	0
Black, Martha F	Curator, Ethnology	79,759	0
Bridge, Kathryn A	Head of Knowledge, Academic Relations & Atlas	88,432	9,295
Charbonneau, Norman		78,615	427
Chung, Tzu-I	Curator, History	82,652	7,588
Cooper, Scott	VP, Exhibition Innovation	80,033	9,654
Dickson, Mark D.	Head of Exhibitions	97,671	9,374
Frey, Melissa A	Curator, Invertebrate Zoology	78,465	386
Fudge-Jensen, Karen	Head of Human Resources & Volunteer Services	87,764	382
Hammond, Lorne	Curator, History	79,759	686
Hanke, Gavin	Curator, Vertebrate Zoology	80,022	1,394
Hebda, Richard J.	Curator, Botany & Earth History	85,179	2,019
Lee, Kasey J	Manager, Conservation Services	80,878	1,775
Lohman, Jack C	Chief Executive Officer	161,246	53,138
Lowings, Pamela J	Head of Property Management and Site Development	87,764	5,606
Marr, Ken	Curator, Botany	79,759	2,473
Mitchell, Gary A	VP Archives, Collections & Knowledge	78,167	308
Pratt, Sandra J	VP, Business Development & Executive Financial Officer	110,412	7,670
Sendall, Kelly	Head of Collections Care & Conservation	88,432	9,381
Stenson, Erika	Head of Marketing & Development	92,764	2,748
Williams, Angela I	Chief Operating Officer	116,067	13,248
Consolidated total of other employees with remuneration of \$75,000 or less		5,248,439	143,778
		\$ 7,233,651	\$ 273,480

Reconciliation of Remuneration to Financial Statements

Total remuneration	7,233,651
Reconciling items	
Benefits	1,794,833
2013/14 Accrual	(197,968)
Salaries and benefits classified under Special Exhibitions and other non expense accounts	(227,258)
Timing Differences	628
Total Pay and Benefits per Statement of Operations	8,603,887

Statement of Severance Agreements

In 2014/15 there were no severance agreements between RBCM and its employees.

Schedule of Supplier Payments

<u>Supplier Name</u>	<u>Aggregate Amount</u>
ALDRICH PEARS ASSOCIATES	45,255
BC HYDRO	341,879
BELL MEDIA INC	43,842
BENTON & OVERBURY LTD	35,601
BLACK & MCDONALD LIMITED	901,282
BMS INTEGRATED SERVICES INC	61,098
BORDEN LADNER GERVAIS	52,250
CANADA REVENUE AGENCY	82,933
CANADIAN CORPS OF COMMISSIONAIRES (VICTORIA THE ISLANDS & YUKON)	134,594
CAPTURE INTEGRATION	61,963
CASCADE FIRE PROTECTION	36,447
CHEK MEDIA GROUP	26,758
CITY OF VICTORIA	677,087
COLD STAR FREIGHT SYSTEMS INC	77,120
CTV TELEVISION INC.	39,780
CUBE GLOBAL STORAGE LTD	30,030
DON WONG	28,376
DR. MARK KILFOYLE	28,750
EMERSON'S LOCK LTD	26,314
FIELD MUSEUM, THE	75,000
FORM CREATIVE	31,537
FRIESENS	56,558
GRAND & TOY	46,787
GRANT THORNTON LLP	29,790
HADLEY EXHIBITS INC	105,900
HEFFEL FINE ART AUCTION HOUSE	47,656
HIGHLAND GARDEN CARE	64,789
ISLAND CUSTOM CABINETRY	45,323
ITEXPRESS DIRECT INC	66,938
JAMES BALL	27,090
JOHN McASLAN + PARTNERS	843,540
KONE INC	88,635
LAMAR COMPANIES	30,224
LEICA MICROSYSTEMS (CANADA) LTD	28,046
LIZ CROCKER	53,623
LONGBEACH SURF SHOP LTD	28,000
MALEEA ACKER	26,050
MARSH CANADA LTD	181,548
MATTHEWS STORE FIXTURES & SHELVING	51,223
MEDIA ONE	25,903
MICHAEL BARNES	75,282
MINISTER OF FINANCE - FINANCE	406,513
MINISTER OF FINANCE - TECHNOLOGY, INNOVATION & CITIZENS' SERVICES	620,832
MINISTER OF FINANCE - TRANSPORTATION & INFRASTRUCTURE	45,419
MINISTER OF FINANCE - OTHER	28,734
MOLONEY PAINTING LTD	54,943
MUSEUMSPARTNER GES.m.b.H	390,000
NATURAL HISTORY MUSEUM	104,094
NETGENETIX.COM MEDIA INC	212,940
NGX INTERACTIVE	37,380

Schedule of Supplier Payments

<u>Supplier Name</u>	<u>Aggregate Amount</u>
P J WHITE HARDWOODS LTD	44,168
PACIFIC REACH CONSULTING LIMITED	72,273
PALADIN SECURITY GROUP LTD	752,233
PATTISON OUTDOOR ADVERTISING LP	53,238
PAUL WASHINGTON	42,105
PEMBERTON HOLMES LTD	251,137
QUARTECH SYSTEMS LTD	343,613
QUIRKE INNOVATES INC	36,915
RHINO PRINT SOLUTIONS	105,839
ROYAL BC MUSEUM FOUNDATION	38,243
S D R PROJECT MANAGEMENT LTD	354,706
SOUTH COAST ELECTRIC LTD	55,783
SUMMIT MECHANICAL SYSTEMS LTD	39,969
T J WHITNEY'S TRADITIONAL TOYS	33,380
TELUS MOBILITY	50,759
TIMES COLONIST	42,802
TRUFFLES CATERING	68,249
UNIVERSITY OF VICTORIA	35,292
VFA CANADA CORPORATION	27,225
WALT CRIMM ASSOCIATES INC	35,718
Consolidated total of other payments with aggregate totals under \$25,000	3,027,243
	<u><u>12,172,544</u></u>

Reconciliation	
Total payments to suppliers	<u>12,172,544</u>
Reconciling Items	
Payroll - BC PSA	8,771,000
Payments for capital assets	(2,064,093)
Amortization	1,175,492
Gifts in Kind	123,375
Accruals and timing differences	385,985
Total Reconciling Items	<u>8,391,759</u>
Total - Expenses per Statement of Operations	<u><u>20,564,303</u></u>