

Royal BC Museum

2022/23

Annual Service Plan Report

Revised September 2023



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Board Chair's Accountability Statement



The Royal BC Museum 2022/23 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2022/23 – 2024/25 Service Plan published in 2022. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in blue ink that reads "Leslie Brown".

Leslie Brown
Board Chair
August 10, 2023

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Letter from the Board Chair

On behalf of the Board of Directors, we respectfully submit the Royal BC Museum 2022/23 Annual Service Plan Report.

The results shared in this report outline how the Royal BC Museum has worked in partnership with the Ministry of Tourism, Arts, Culture and Sport to support the government's priorities, as identified in the most recent [Crown Agency Mandate Letter](#): realizing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and Truth and Reconciliation Commission's Calls to Action; contributing to lasting and meaningful Reconciliation; enhancing equity, diversity, inclusion, accessibility and access; addressing issues of racism; modernizing the museum experience; and COVID-19 recovery.

This report also outlines how we have worked together in light of the change in strategic priorities regarding Museum modernization at the Premier's direction on June 22, 2022. The planned closure and full redevelopment of the Museum's downtown site was halted in response to public feedback, and the team quickly pivoted to progress new goals to create an enticing on-site exhibition schedule and visitor experience.

The Museum also worked with the Province and with key partners to create a framework and fulsome plan for broad-scale, provincial community engagement, to build relationships and have conversations with Indigenous communities, diverse communities and all British Columbians on the future of the Royal BC Museum. Phase 1 of community engagement began in January 2022, and the team held 24 sessions in 2022/23 in communities throughout the province. This is pivotal work that will help to set the course for the future of the Museum and how we serve British Columbians.

Other significant steps forward this year have included the work to advance the Collections and Research Building through the appointment of a successful Design Build proponent for the project, the completion of a number of community repatriations and important work to begin to transform the culture of the organization.

As a provincial Crown corporation, accountability guides our planning and decision making. 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.



Leslie Brown
Board Chair
August 10, 2023

Purpose of the Annual Service Plan Report

This Annual Service Plan Report has been developed 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, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

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 Royal BC Museum 2022/23 – 2024/25 Service Plan and the actual results reported on in this annual report. The change in strategic priorities in regard to the Museum modernization project in June 2022 impacted the actions and goals of the Museum in this fiscal.

Purpose of the Organization

Under the [Museum Act](#) (2003), the Royal BC Museum, which includes the BC Archives, is required to fulfil the government's fiduciary role of public trustee. Furthermore, as the archives of government, the Royal BC Museum also falls under the [Information Management Act](#) (2015; amended 2019).

The Royal BC Museum supports government's priorities, including contributing towards lasting and meaningful Reconciliation by implementing the [Declaration on the Rights of Indigenous Peoples Act \(Declaration Act\)](#) and the [Truth and Reconciliation Commission's \(TRC\) Calls to Action](#); increasing the Royal BC Museum's presence throughout the Province by increasing accessibility for all British Columbians; enhancing equity, diversity and inclusion policies and practices to ensure the Museum is a place of cultural safety for all; prioritizing modernization of the Museum infrastructure, operating and organizational policies and procedures; and conducting robust consultations with First Nations, diverse cultural communities and broad-scale community engagement throughout the Province on the future of the Museum.

The Royal BC Museum communicates knowledge of human history, natural history and living cultures through exhibitions, research, programs and community based learning. The Museum stewards the collections of British Columbia for current and future generations. The Royal BC Museum encompasses the Museum, BC Archives, Wawadit'la (Mungo Martin House) in Thunderbird Park, the Netherlands Carillon, St. Ann's Schoolhouse, Helmcken House, the Glenshiel building and IMAX® Victoria.

Operating Environment

On behalf of government, the Royal BC Museum manages \$111 million of building assets and a further \$56 million in contents (exclusive of collections) in Victoria, B.C. It also cares for more than seven million objects, records and specimens and over 30 linear kilometres of archival records.

In 2022-23, the Museum received an annual grant of \$12.391 million from government, which represents approximately 53 per cent of its core operating budget in a traditional operating environment. This does not include special project- and recovery funds provided by the Province. The other approximately 47 per cent in a traditional operating environment are funded by own-source revenues derived primarily from admissions revenue, programming and licensing, IMAX® Victoria tickets, concession and retail revenues, and sponsorship and philanthropic contributions, all of which are variable revenue sources.

In 2022-23, the Province implemented a shift in strategic priorities on the modernization of the Museum's downtown site, in response to public discourse on the planned closure and full redevelopment. As of June 2022, the Royal BC Museum was directed to remain open and operational, and to conduct a broad-scale, provincial community engagement campaign to engage with Indigenous communities, and all British Columbians, including culturally diverse communities and other stakeholders about the future of the Museum.

Development of the purpose-built Collections and Research Building (CRB), which will protect the Museum and Archives collections and expand public access, while acting as a community gathering space has continued during this fiscal. The procurement phase of this capital project is now complete with Maple Reinders selected as the design builder. The building is scheduled to be complete in 2026 and open 6 months later.

Tourism in British Columbia continued to recover through 2022-23 restrictions, including international vaccination requirements for travel continued to ease. The COVID-19 pandemic inspired the development of innovative and dynamic online and offsite programming. These programs have continued to be a focus as they enable the Museum to broaden its reach throughout and beyond the Province.

Key financial and operational challenges have included the management of aging infrastructure, rising inflation, supply chain issues, a period of slower economic growth and challenging global economic times. These economic effects have also contributed to resourcing challenges.

Report on Performance: Goals, Objectives, and Results

Goal 1: Museum Modernization Project

Objective 1.1: Modernize the museum experience

A modern Museum is a museum for all British Columbians. This objective is to provide relevant, inclusive and contemporary visitor experiences and increase access to the collections. The redevelopment and modernization project for the Museum's downtown site was the focus of this objective in the 2022/23-2024/25 Service Plan, however, in response to public feedback, the Province as of June 2022 supported a shift in strategic priorities of the project. The Museum was redirected to conduct a broad-scale, provincial engagement to have meaningful conversations with British Columbians on the future and relevance of the Museum.

Key results

- A community engagement team was established with partners from the Ministry of Tourism, Arts, Culture and Sport, Ministry of Citizen Services, external expert engagement specialists and communications practitioners. This team created a framework and phased plan for conducting provincial community engagement and implemented Phase 1; a series of information and dialogue sessions throughout British Columbia.
- Regional Partnership Managers were hired and embedded in communities across the Province to ensure local relevance and representation through the community engagement process.
- Together with project partners, including the Songhees and Esquimalt Nation, the Museum advanced work on the Collections and Research Building (CRB) through active engagement in procurement process with bidders.
- The Museum hosted a gathering of Provincial First Nations with 29 Indigenous leaders representing 21 nations. The engagement team also attended several Indigenous Leadership Circles including the First Nations Leadership Council, the First Nations Summit, the Métis Nation Annual General Meeting.
- A skilled team of museum professionals was onboarded to advance the work of the preparation and packing of the collections of British Columbia in anticipation of the move to the Collections and Research Building.

Summary of progress made in 2022/23

Following the shift in strategic priorities of the modernization of the Museum in June 2022, the Museum, in partnership with Ministry of Tourism, Arts, Culture and Sport, set-up an engagement team and developed a framework, strategy, and timeline to conduct broad-scale, provincial community engagement.

Phase 1 began in January 2023 with information and dialogue sessions and was shortly followed by the launch of an online survey. By March 31, 2023, 24 sessions had been held, both in communities across the Province, and virtually. Further sessions continuing into the next fiscal had been scheduled. At the close of 2022/23, 580 British Columbians had participated in engagement sessions and 498 had participated in the online survey.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
1.1a Number of engagements with communities on the modernization project ^{1,3}	15	20	24
1.1b Activation against preparation, pack and move plan ^{2,3}	18%	40%	22%

Data source: Royal BC Museum

¹ PM 1.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 20 and 15, respectively. This measure was revised in the latest service plan.

² PM 1.1b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 75% and 100%, respectively. This measure was replaced in the latest service plan.

³ For forward-looking planning information, including current performance measures and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

1.1a In 2022/23 the target for the number of engagement sessions was surpassed with 24 information and dialogue sessions held in communities throughout the province and virtually. This was due to the focused engagement efforts following the June 22 government direction. At the close of 2022/23, 580 British Columbians had participated in engagement sessions and 498 had participated in an online survey.

1.1b Activation on the preparation, packing and move plan in 2022/23 was below target, as timelines were adjusted to reflect the shifts in the Collections and Research Building (CRB) timeline following the announcement of the successful Design Build proponent. The timeline for completion of the CRB shifted from 2025 to 2026 and the change in strategic priorities impacted the space allocation for preparation and packing of the collections as the Museum building remained open to the public.

Objective 1.2: Equity, diversity, inclusion and accessibility

Equity, diversity, inclusion, and accessibility (EDIA) is central to modernizing the Museum and its practices, policies and procedures, and addressing issues of racism in the Museum. We have worked to foster a culture shift that prioritizes staff psychological safety, wellness and healing, antidiscrimination (anti-racism and anti-sexism), and a positive and supportive culture. We will continue to ensure that EDIA is at the forefront as a focus of the organization and that it is embedded in the Museum’s culture, policies, practices, and procedures at all levels. As with all Crown corporations, the Museum has a responsibility to tackle systemic racism in all its forms and adopt a Gender-Based Analysis Plus (GBA+) informed approach to all its work.

Key results

- Employees, all volunteers, and board members took part in mandatory San'yas Core Indigenous Cultural Safety (ISC) Foundations training. This training was also embedded into the onboarding process for all new employees, board members and volunteers.
- A Vice President of Engagement and DRIPA Implementation was recruited and appointed; this is a key role in supporting the strategic EDIA and cultural transformation of the organization, in addition to other key strategic objectives of the Museum.
- An internal, cross-departmental Truth and Reconciliation Committee was established.

Summary of progress made in 2022/23

In 2022/23 the Museum continued to lay the groundwork for organizational cultural transformation, investing efforts in recruiting key roles on the Board, for Museum staff, and volunteers in addition to sourcing and implementing relevant training.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
1.2a Percentage of staff completed the EDIA training and workshops ^{1,2}	70%	90%	87%
1.2b Percentage of volunteers completed the EDIA training and workshops ^{1,2}	n/a ³	10%	100%

Data source: Royal BC Museum

¹ PM 1.2a and 1.2b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 90%.

² These performance measures were revised in the latest service plan. For forward-looking planning information, including current metrics and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

1.2a As of March 31, 2023, the Museum had 163 active employees and 141 had completed the San'yas Core Indigenous Cultural Safety (ISC) Foundations. Due to the nature of the training and the number of weeks allotted for completion, there will always be slightly under 100 per cent at any given time. The important result to note is that the training is embedded in the onboarding process and is now a mandatory requirement for all Royal BC Museum employees, board members and volunteers within the first 6 months of employment.

1.2b As of March 31, 2023, 100 per cent or all 111 active volunteers had completed training. This surpassed the target of 10 per cent and reflects the introduction of the policy that volunteers must have completed EDIA training in order to be on active duty with the Museum.

Goal 2: Create dynamic and relevant visitor experiences

Objective 2.1: Community outreach through travelling exhibitions and pop-up displays

Serving and engaging British Columbians throughout the Province is an essential component of the Museum's mandate. Travelling exhibitions and displays are co-created by the Museum together with community partners, and are toured and hosted at community and cultural venues across B.C. This enables the Museum to build relationships and provide relevant and dynamic experiences to British Columbians in their own communities.

Key results

- Travelling exhibitions produced by the Royal BC Museum and partners had a presence in 17 B.C. communities throughout 2022/23.
- Toured exhibitions included three versions of Our Living Languages: First Peoples Voices in BC, co-created with the First Peoples' Cultural Council.
- Curators and collections managers intentionally participated in the province-wide community engagement sessions, providing remote opportunities for in-community educational interactions sharing the handling collections to increase museum interest and curiosity.

Summary of progress made in 2022/23

The Museum continued to work with communities and partner organizations throughout the province to travel exhibitions and make them accessible to British Columbians. Mushrooms of and co-created exhibitions such as Haq and History, Our Living Languages and Hope Meets Action collectively travelled to 17 communities throughout the province including Surrey, Kelowna, Fort St John and Revelstoke.

A key component of the travelling exhibitions program is the opportunity to build relationships and work with partners provincially. This made a vital contribution to the ongoing community engagement work undertaken by the Museum.

Performance measures and related discussion

Performance Measure ⁶	2021/22 Actual	2022/23 Target	2022/23 Actual
2.1a Number of pop-up locations in the CRD (all types) (interior and exterior) (semi-permanent and rotating) ¹	n/a	9	6
2.1b Number of pop-up locations outside of the CRD across B.C. ²	n/a	5	0
2.1c Number of travelling exhibitions across B.C. ³	n/a	7	8
2.1d Number of unique visitors to URLs from pop-ups and traveller's links (traffic from QR code links at pop-up locations and links through social media) ⁴	n/a	1,724,000	n/a
2.1e Number of visitors to museum pop-up tour (audio tour downloads and quantity of physical maps handed out to users) ⁵	n/a	27,375	n/a

Data source: Royal BC Museum

¹ PM 2.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 12 and 15, respectively.

² PM 2.1b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 7 and 10, respectively.

³ PM 2.1c targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 9 and 10, respectively.

⁴ PM 2.1d targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 3.1M and 5.7M, respectively.

⁵ PM 2.1e targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 40,150 and 52,925, respectively.

⁶ These PMs were replaced in the latest service plan. For more details on forward-looking planning information, including the current performance measures and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

2.1a The number of pop-up displays was less than targeted. Following the Museum's shift in strategic priorities as of June 22, 2022, resources were reassigned to on-site exhibitions and work on the preparation and packing of collections for the move to the Collections and Research Building.

2.1b Similarly, in light of the shift in strategic priorities of the modernization of the Museum's downtown site, the development of pop-up locations was paused in order to enable the Exhibitions team to focus on sourcing, building, designing and developing exhibitions to show on site for the forthcoming years.

2.1c The number of travelling exhibitions exceeded the target for the year. The exhibitions were built in prior fiscal years and the Museum had a dedicated resource to support with the movement and installation of them throughout the Province.

2.1d and 2.1e As these performance measures track visitors to the pop-up locations, the dataset for 2022/23 is incomplete due to pop-up initiatives being placed on hold for other priorities. The partial-year results for these measures in 2022/23 were not included in this report.

Objective 2.2: Maintain high visitor satisfaction levels

The Museum attracts diverse audiences and seeks to meet or exceed visitors' expectations by providing engaging exhibitions and films, delivering thought-provoking programming, and offering space for community gathering to provide a fulsome visitor experience.

Key results

- Hosted exhibitions including Broken Promises, Between Us: Adad Hannah's Social Distancing Portraits and Wildlife Photographer of the Year 58.
- Provided a series of free community and cultural events and learning experiences for visitors and online audiences including a powerful week-long program, free for community, that included films, activities and speakers for National Day for Truth and Reconciliation.
- Scheduled a series of diverse and compelling documentaries including Ireland, Ancient Caves and Serengeti, re-introduced Hollywood features including Top Gun: Maverick and reinstated the IMAX® Film Festival.

Summary of progress made in 2022/23

Following the shift in strategic priorities as of June 2022, the Museum was to remain open to the public as the provincial engagement process took place. This provided the opportunity for the Museum to source, host and co-create new exhibitions and experiences for visitors. It also allowed for the Museum to continue to provide a space for community gathering. The Museum was also directed to re-open the closed third-floor, which contains the Old Town exhibit in response to public feedback.

Two exhibitions, Broken Promises and Between Us: Adad Hannah's Social Distancing portraits, were extended for a longer run to provide more for visitors to the Museum site to consideration of the work to reimagine the galleries on the third floor.

New exhibitions were sourced, including Wildlife Photographer of the Year 58 that was installed in December and ran through until the end of March.

Strategies outlined in the Service Plan to increase engagement through digital connections in the collections and archival content were modified in light of the shift in strategic priorities. The focus was on linking the exhibitions to content on the Museum's Learning Portal, and maximizing social engagement through Wildlife Photographer of the Year.

Performance measure and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
2.2 Per cent of visitors surveyed satisfied with services ^{1,2}	85%	85%	87%

Data source: Royal BC Museum

¹ PM 2.2 targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 90%.

² This PM was replaced in the latest service plan. For more details on forward-looking planning information, including the current performance measures and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

This performance measure is measured by a bi-annual on-site survey. As such it is limited in its relation to off-site and digital experiences offered by the Museum.

Despite expectations that visitor satisfaction would decrease due to on-site work underway, visitor satisfaction exceeded the target by 2 per cent. The increase is likely attributed to a variety of free community events the Museum offered throughout the year, as well as discounted admission rates to bolster attendance.

While an increase in on-site visitor satisfaction is a positive indicator, the Museum acknowledges that other indicators such as digital engagement, annual pass sales and number of repeated visits can also indicate visitor satisfaction levels. The Museum will continue to review these metrics among others to ensure visitor satisfaction remains at the forefront of the Museum's planning activities.

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

This objective supports the Museum's mandate in several areas, including provincial reach. Royal BC Museum programming constantly evolves, reflecting contemporary tastes, learning expectations and the adoption of new technologies. As programming is based on, and drawn from, the collections of the Province and archives of B.C., no other provincial institution can offer these types of programs.

Key results

- Provided curriculum support for k–12 and post secondary students and teachers by hosting Digital Field Trips for 1,897 participants throughout B.C. and developing new materials for the Museum's online Learning Portal.
- Completed 97 requests for Outreach Kits for school and community use, reaching an estimated 3000+ people, and delivered 46 learning events in-person and online.
- Offered free digital programming in recognition of Family Day.

Summary of progress made in 2022/23

A series of new [Outreach Kits](#) and [Provocation Packs](#) were created to ignite critical thinking in classrooms and communities throughout the Province. These unique resources allow

demographic and geographic outreach as they are provided free of charge and shipped without cost to the community or classroom.

The Museum continues to create compelling learning programs and events together with partners digitally and in-person. A number of initiatives that had not taken place for a number of years due to COVID-19 including Live at Lunch and Fieldtrippers were revived during this fiscal.

Performance measures and related discussion

Performance Measure ⁴	2021/22 Actual	2022/23 Target	2022/23 Actual
2.3a Number of people at learning programs/events *including digital ¹	43,894	18,000	11,300
2.3b Number of programs delivered outside of CRD ²	n/a	6	18
2.3c Number of programs delivered digitally ³	n/a	200	127

Data source: Royal BC Museum and metrics from You Tube, Facebook and Instagram

¹ PM 2.3a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 20,000.

² PM 2.3b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 10.

³ PM 2.3c targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 225.

⁴ PMs were revised in the 2023/24-2025/26 Service Plan. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

All performance measures for this objective were impacted by the shift in strategic priorities of the museum modernization.

The 2022/23 target for 2.3a was a bold goal set considering the fact operations were expected to shift during that fiscal. Learning staff reassignments were impacted by the modernization project and its shift in strategic priorities. The volunteer program continued to operate at a reduced rate following COVID-19.

The number of programs delivered outside the Capital Regional District (CRD) surpassed target, due to learning programs being integrated into the provincial community engagement work. The strategy is to continue creating in-person learning experiences with the Regional Relationship Managers, reaching diverse communities throughout the Province.

The Museum continued to create educational and cultural events and programming, but efforts were refocused on-site to create synergies with exhibitions and galleries. As such, targets for programs delivered digitally were under target.

Objective 2.4: Increase digital visitor volume

A large percentage of the audience of the Royal BC Museum and BC Archives engage online rather than in person. Enabling increased digital access supports key EDIA principles: a more diverse set of cultural and demographic groups, from across B.C. and around the world, are better able to engage meaningfully with the Museum and Archives collections.

A key component of this objective is to continue the steady digitization of the collections, a process that helps to preserve fragile/at risk records and provide users with a more durable medium online, to make the Museum and archives more accessible to all British Columbians.

Key results

- More than 3.9 million searches of Museum and Archives online collections were completed by visitors in 2022-23.
- Indigenous Collections and Repatriation information was updated on the Museum website, including the addition of Repatriation Stories shared from voices of Indigenous community members who had participated in the process. The Digital Totem Gallery was soft launched.
- A blog series was created and published to the website to share A day in the life... of various Museum staff roles. New content was created and added to the online [Learning Portal](#) including new bilingual animations.
- In collaboration with community partners, a concentrated promotional effort to increase awareness was initiated and broadcasted digital offerings across social media and online networks.

Summary of progress made in 2022/23

Work continued to digitize the collections and archives to increase access through online channels.

Hybrid learning programs continued with Digital Field Trips and online learning events and the Museum utilized the community engagement work to connect with other institutions on industry innovations.

Performance measures and related discussion

Performance Measure ²	2021/22 Actual	2022/23 Target	2022/23 Actual
2.4a Total visitors to website, in millions (M) (does not include Learning Portal or IMAX Victoria website) ¹	13.2M page views 2.4M sessions	7.2M page views 800K sessions	11.2M page views 2.9M sessions
2.4b Total visitors to Learning Portal, in thousands (K) ¹	155K page views 50.7K sessions	122.5K page views 39.1K sessions	114.4K page views 61K sessions
2.4c Total visitors to IMAX Victoria website ¹	417.5K page views 185.4K sessions	585K page views 160K sessions	561K page views 192.6K sessions

Data source: Google Analytics.

¹ PM targets for 2023/24 and 2024/25 as stated in the 2022/23 service plan were as follows:

- PM 2.4a: (2023/24) 6.8M views, 760K sessions. (2024/25) 6.4M views, 720K sessions
- PM 2.4b: (2023/24) 128.6K views, 41.1K sessions. (2024/25) 135K views, 43.1K sessions
- PM 2.4c: (2023/24) 700K views, 190K sessions. (2024/25) 910K views, 250K sessions

² Targets for all performance measures under objective 2.4 were amalgamated in the 2023/24-24/25 Service Plan. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

As the gateway to Museum and Archives' collections and genealogy data, the Royal BC Museum website is the primary portal to its digital records.

To reach the largest possible audience, the Royal BC Museum promotes access to digitized materials from its natural and human history collections through online exhibitions, the Learning Portal and Digital Field Trips for schools. The targeted number of website visitors was higher than projected as the Museum remained open to visitors throughout the year and earned media generated interest that drove some digital volume. A strong calendar of social media content also drove digital volume.

2.4b The number of page views of the Learning Portal was lower than targeted, but the number of sessions was higher. This suggests that there were more visitors, but that they were viewing less content on each visit and could be due to the fact that it could be used as an education reference tool. The site content strategy aims to cross-promote site content to users and will be continued.

The total visitors to the IMAX® Victoria website was slightly under the targeted page views, but with more sessions. This infers more visitors were viewing less pages and could be as a result of key information being effectively communicated through the homepage. For the IMAX Film Festival, the full details were communicated through the length of the homepage.

Objective 2.5: Provide access to, and facilitate the repatriation of tangible and intangible cultural property and belongings to Indigenous communities in B.C.

This objective supports and aligns with B.C.'s Declaration on the Rights of Indigenous Peoples Act; 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.

Key results

- The Museum continued its commitment to a community-led approach to repatriation working with 16 communities to support active repatriation requests.
- Worked closely with, and followed the lead of traditional community leaders, to navigate logistically challenging circumstances and repatriate a sacred belonging.
- Key roles were recruited in the Indigenous Collections and Repatriation Department to support this important work.

- In September 2022, conservation work was completed on the appendages on the Hunt Totem Pole in Thunderbird Park, and the appendages were reattached to the pole in-situ.
- Continued digitization of Indigenous collections and continued to support Indigenous communities in accessing archival records.

Summary of progress made in 2022/23

In order to support the Museum’s work to provide access to and facilitate the repatriation of belongings to Indigenous communities in B.C., a number of key positions were hired into the Museum’s Indigenous Collections and Repatriation team including a Curator of Indigenous Collections, and several Collection Managers.

Learning programming aimed at increasing awareness of Indigenous cultures and histories continued, including work on developing a series of Living Cultures video content.

Repatriation, hosting visits to collections and digitization continued, and much of the team was also involved in preparing, packing and moving efforts, however there is significant work to continue and this capacity building will support better meeting performance measures in this area.

Performance measures and related discussion

Performance Measure ⁶	2021/22 Actual	2022/23 Target	2022/23 Actual
2.5a Number of audio recordings digitized & ready for transfer to communities & online access ¹	n/a	9	3
2.5b Number of existing photos digitized for transfer to communities and online access ²	n/a	14,400	7,700
2.5c Creation of new photos & video of cultural objects that have not been photographed or video documented for online access & transfer to communities ³	n/a	5,000 of 15,000 33%	2,100
2.5d Number of completed repatriation requests (treaty and non-treaty) ⁴	n/a	Treaty: 3 Non-Treaty: 3	6
2.5e: Outreach and Research Visits ⁵	n/a	5	15

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

¹ PM 2.5a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 12 and 15, respectively.

² PM 2.5b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 14,400 and 7,200, respectively.

³ PM 2.5c targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 5,000 of 10,000 (66%), and 5,000 of 5,000 (100%), respectively.

⁴ PM 2.5d targets for 2023/24 were stated in the 2022/23 service plan as Treaty:3, Non-Treaty:4. Targets for 2024/25 were stated as Treaty:5, Non-Treaty:5.

⁵ PM 2.5e targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 5 and 2, respectively.

⁶ For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

2.5a, 2.5b and 2.5c Digitization continues to be a key priority for the Museum, however it requires specialized skills and on-site equipment. Resource challenges led to not meeting targets set for digitization of audio and photo files. Performance measures for these objectives were replaced in the 2023/24-2025/26 Service Plan, but recruitment and retention initiatives implemented in 2022/23 will support the important digitization work moving forward.

2.5d The number of repatriation requests completed met the target set. The Museum implements a community-led approach to repatriation as the process can be complex with many considerations on all sides. Future targets will be focused on supporting active repatriation requests, not the completion of them.

2.5e The number of Outreach and Research Visits was much higher than targeted. A series of events were held over 4 days in recognition of National Day for Truth and Reconciliation and a number of visits were incorporated into active repatriation requests.

Goal 3: Effectively steward the collections

Objective 3.1: Protect the collections

A key part of 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, human and cultural histories, and to hold and make accessible these collections for current and future generations.

Key results

- Worked with project partners Transportation Investment Corporation and Infrastructure BC, the Songhees Nation, the Esquimalt Nation and Ministry of Tourism, Arts, Culture and Sport to address questions received from proponents throughout the Request for Proposals process for the Collections and Research Building (CRB).
- 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.

Summary of progress made in 2022/23

The Museum continued work in partnership with the Ministry of Tourism, Arts, Culture and Sport, along with key partners, namely the Transportation Investment Corporation, Infrastructure BC, the Songhees Nation and the Esquimalt Nation, on the development of a new, state-of-the-art, sustainable Collections and Research Building (CRB). This innovative

facility will provide adequate space and continued care for the collections and archives, house research facilities, and improve access to research and the collections.

Work continued on digitizing collections and records of B.C. and growing the databases to help provide access and protect original documents and files which can often be rare and fragile.

Performance measures and related discussion

Performance Measures ⁶	2021/22 Actual	2022/23 Target	2022/23 Actual
3.1a Collection Risk Management Index (CRMI) score ¹	80%	80%	n/a
3.1b Number of additional objects ² attached to AtoM, in thousands (K) ³	7K	7K	6.7K
3.1c Number of boxes of government records processed, in thousands (K) ⁴	2.4K	3K	2.5K
3.1d Number of records added to IMM, in thousands (K) ⁵	24K	25K	19.7K

Data source: Royal BC Museum

¹ PM 3.1a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 80%.

² Objects is an archival term including photographs, digital files and PDFs of textual records.

³ PM 3.1b targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 7K.

⁴ PM 3.1c targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 2K.

⁵ PM 3.1d targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as 25K and 10K, respectively.

⁶ PMs were revised in the 2023/24-2025/26 Service Plan. For forward-looking planning information, including current targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

3.1a As progress continue towards the new Collections and Research Building Collection Risk Management Index (CRMI) was not completed this year. This is due to the fact there are significant conservation efforts underway as part of the preparation, pack and move process that are above standard, and the fact that much of the collections will be moved to CRB facility. The CRMI is an assessment derived from ongoing analyses of Royal BC Museum facilities and conservation efforts, based on the current international standard. It has been removed as a measure from the 2023/24-2025/26 Service Plan.

3.1b The number of objects attached to AtoM was slightly below target due to resourcing challenges. This is work that must take place on-site and requires a level of specialized training.

3.1c The target was not met as there was not enough resource allocation for the fulfillment of this task. Targets in the 2023/24-2025/26 Service Plan were reduced to reflect resource availability.

3.1d The number of records added to IMM was below target at 19.7K. This was due to the fact that accessions were reduced, and a number of existing records were updated as the Museum team worked to prepare and pack the collections ready for the move to the Collections and Research Building.

Goal 4: Demonstrate a high level of continued financial responsibility

Objective 4.1: Financial management and efficiency

This objective supports the Museum’s commitment to fiscal responsibility and responsible financial stewardship.

Key results

- Worked with the Ministry of Tourism, Arts, Culture and Sports to secure and manage budgetary requirements and reallocation required as a result of the shift in strategic priorities regarding museum modernization.

Summary of progress made in 2022/23

The Museum understands the need to be financial responsible, and with the change in strategic priorities, the team quickly pivoted to create a strategic plan to welcome visitors back to the Museum.

Typically, museum operations to drive revenue, require a multi-year exhibition strategy and plan that secures inspiring and attractive exhibitions well in advance to satisfy the per cent of self-generated operating budget expected. Thanks to additional funding from the Province and the knowledgeable expertise of the team, one exhibition was created, and two high-impact exhibitions were secured for the forthcoming fiscal year ensuring a strong 2023/24 line-up to drive revenues.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
4.1 Managing operating budget within 10% ^{1,2}	n/a	On or below budget	11%

Data source: Royal BC Museum

¹ PM 4.1 targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as “On or below budget”.

² This performance measure was replaced for the 2023/24-2025/26 Service Plan. For forward-looking planning information, including current metrics and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

The operating budget laid out in the 2022-23 Service Plan was not met as the shift in strategic priorities impacted the planned budget and resources. The change in strategic priorities meant that it was not possible to streamline processes as planned, and some contracted services were required to fulfil a shortfall in resources.

The closure of the third floor and anticipated closure for Museum redevelopment would have significantly impacted the Museum’s ability to generate revenues as it would under ordinary circumstances.

For a more detailed overview, please review the Financial Summary section of this document.

Objective 4.2: Attract, retain, and develop a highly skilled, engaged and diverse workforce

This objective demonstrates the importance of the people at the heart of the Museum. The Museum employs a varied team with diverse knowledge, skills, talent, and experience. In order to support the delivery of the Museum’s mandate and to contribute positively toward the transformation of organization culture, it is essential to continue to attract, retain and develop talent.

Key results

- Introduced further professional development and research opportunities for employees, including cultural training for all staff members.
- Introduced a new online employee intranet platform to enable more engagement.
- Reintroduced Public Service Week initiatives and supported transparent internal communication practices.

Summary of progress made in 2022/23

The Organizational Chart was reviewed and formalized. The Museum leadership team regularly reviews the workforce needs to support strategic deliverables. This is an important process established to contribute to retention and avoid staff burnout through not having adequate resources.

Significant progress in the area of recruitment took place at the Museum in 2022/23, and work on cultural transformation and clear goal setting sought to stabilize retention and increase employee engagement.

Challenges in the preceding fiscal years required new policies and practices to be established to support the cultural transformation of the organization and contribute positively towards attracting, hiring and retaining talent. In 2022/23 the Royal BC Museum enhanced management and leadership capabilities; adhered to transparent, consistent and fair workplace complaint management; supported staff with culturally sensitive counselling services; improved the communication to foster trusting and supportive relationships; increased transparency of operations internally and revised a strategic approach to comprehensive EDIA training.

Performance measures and related discussion

Performance Measure ³	2021/22 Actual	2022/23 Target	2022/23 Actual
4.2a Employee Retention (% voluntary turnover) ¹	n/a	Less than 10%	17.6%
4.2b Employee Engagement ²	53	Establish a baseline	53

Data source: Royal BC Museum

¹ PM 4.2a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as “Less than 10%”.

² PM 4.2a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as “Maintain or Improve”.

³ PMs were replaced in the latest service plan. For more details on forward-looking planning information, including the performance measures and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

The per cent of voluntary turnover exceeded the target that was set at 17.6 per cent. The workplace culture issues outlined in the Report to British Columbians in 2021 and the significant period of organizational change are likely factors contributing to this level of turnover. Notable progressive efforts were made during 2022/23, laying strong foundations for cultural transformation to further improve employee retention.

The tool used to measure Employee Engagement is the Work Environment Survey (WES) which takes place every two years. The WES took place in the 2021-22 fiscal, but the results were received in April of 2022 in this reporting year. The Museum's overall Employee Engagement score was 53 points out of a possible 100 points. The Engagement score is based on how employees answered the four survey questions that make up Job Satisfaction, BC Public Service Commitment and Organization Satisfaction.

The top Engagement Drivers for the Royal BC Museum are Teamwork and Job Suitability at 76 points, and with the next highest drivers are Supervisory-level Management at 69 points and Respectful Work Environment at 65 points. Work has been done on all of these areas in 2022/23 as outlined above.

Objective 4.3: Leverage community support

This objective relates to the relationships with the public and stakeholders that are paramount to support the delivery of modernization and the Museum and Archives' mandate. It also contributes to the long-term financial responsibility of the Museum in terms of generating donors, partner-relationships and future visitors.

Key results

- Worked with key media partners to share news on activities, initiatives and to engage audiences with the Museum and to raise awareness of the value of the Museum and Archives collections.
- Maintained meaningful volunteer engagement with the organization while the volunteer program was on pause due to the pandemic.
- Supported government objectives and 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.

Summary of progress made in 2022/23

Continued to work proactively with media to share news on from the Royal BC Museum with the wider community. Focused efforts on communicating ways to participate in the formal community engagement process.

Efforts to increase the Museum's presence across the Province included the community engagement work and visits to other historical and cultural intuitions, research visits,

increased digital learning programs and online events, and improved digital access to records and collections online.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
4.3a Value of media, both in-kind and earned, in millions (M) ^{1, 2}	in-kind:	in-kind:	In-kind:
	\$0.32M	\$0.30M	\$0.15M
	earned:	earned:	Earned:
	\$23.8M	\$20M	\$27.6M

Data source: Royal BC Museum

¹ PM 4.3a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as in-kind \$0.3M, earned \$20M.

² This PM was replaced in the latest service plan. For more details on forward-looking planning information, including the performance measures and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

In-kind media was less than targeted due to reduced broadcast and print media spend. The Museum had a limited 2022-23 exhibition schedule due to planned closure; following the change in strategic priorities it took number of months to secure new exhibitions.

Earned media was higher than target due to an increased public interest in the Royal BC Museum resulting in higher than anticipated coverage throughout the year. It was also impacted by additional communications efforts supporting the communication engagement work to let British Columbians know the details of how they could get involved in the engagement process.

Objective 4.4: Generate revenue from operations

Key results

- Hosted world-renowned Wildlife Photographer of the Year 58, Broken Promises and Between Us: Adad Hannah’s Social Distancing Portraits exhibitions.
- Relunched the IMAX® Annual Pass, following the temporary pause on sales during COVID-19, and for the first time since the Museum took ownership of IMAX® in 2020. Over 12,300 Annual Passes were sold in 2022/23 generating over \$572k in revenue.

Summary of progress made in 2022/23

With work to reimagine the third-floor galleries underway, it was key to ensure other dynamic on-site experiences appealed to visitors, in order to generate revenue from admissions.

One key element of this was to schedule a compelling series of documentaries and Hollywood features, attracting visitors to IMAX and the relaunch of the IMAX Annual Pass program.

Performance measures and related discussion

Performance Measure	2021/22 Actual	2022/23 Target	2022/23 Actual
4.4a Revenue generated from operations, in millions (M) ^{1,2}	\$7.4M	\$2.865	\$3.719

Data source: Royal BC Museum financial reporting systems.

¹ PM 4.4a targets for 2023/24 and 2024/25 were stated in the 2022/23 service plan as \$4.583.

² This PM was move to Goal 1 in the latest service plan. For more details on forward-looking planning information, including the performance measures and targets for 2023/24 – 2025/26, please see the latest service plan on the [BC Budget website](#).

While revenue targets were reduced due to the expected modernization project and closure, they were surpassed as the change in strategic priorities led to the continued operations of the Museum and IMAX. The easing of travel and entry restrictions that were put in place due to COVID-19 is also attributed to have been a contributory factor to higher than forecast attendance.

Financial Report

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

Discussion of Results

The Royal BC Museum closed 2022/23 with an operating deficit of \$5.054 million, despite revenues being above target. This deficit is attributed to budget shifts and needs in light of the shift in strategic priorities of the Museum modernization project and need to restart and sustain operations, including deferred maintenance and other operational needs.

Following the requirement for the Museum to remain open and operational, museum modernization adjusted revenue targets were surpassed due to the opening of high-profile exhibits to draw back audiences as well as a focus on on-site public engagement. The tourism sector's recovery from the effects of the COVID-19 pandemic assisted the gains in public attendance.

Salaries were lower than budget due to a hiring lag and vacancies throughout the Museum, however this was offset with an increased spend on professional services to provide resources as recruitment competitions were underway. Additional funding was supplied by the Province to address wage increases agreed as part of collective bargaining agreements.

Financial Summary¹

(\$000s/\$m)	2021/22 Actual	2022/23 Budget	2022/23 Actual	2022/23 Variance
Revenues				
Contributions from Province	11,866	11,866	12,391 ²	525
Recoveries from Province	5,169	6,488	6,738	250
Museum and IMAX admission fees	4,898	2,865	3,719	854
Other Income & Recoveries	2,861	7,455	3,238	(4,217)
Total Revenue	24,794	28,674	26,087	(2,587)
Expenses				
Salaries and benefits	12,744	15,405	13,342	(2,063)
Building	2,169	2,613	2,748	135
Grant - in lieu of taxes	884	832	785	(47)
Security	1,038	941	930	(11)
Amortization	1,126	1,263	1,146	(117)
ARO Accretion	0	0	688	688
Special Exhibitions	2,071	0	243	243
Other Operating Costs	5,996	9,770	11,258	1,490
Total Expenses	26,846	30,824	31,140	316
Net Income	(2,052)	(2,150)	(5,054)	(2,904)
Total [Liabilities/Debt]	35,721		49,900	
Capital Expenditures	6,077	52,847	14,748	(38,099)
Accumulated Surplus	20,587	22,687	17,532	(5,155)

¹ This financial information was prepared based on current Generally Accepted Accounting Principles.

² Provincial operating contribution increased by \$0.525 million to \$12.391 million to fund union-based wage increase effective April 1, 2022, funding is from the Shared Recovery Mandate.

Variance and Trend Analysis

Revenues

Provincial Operating Contribution

Provincial operating contribution increased by \$0.525 million to \$12.391 million to fund wage increase effective April 1, 2022. Additional provincial contributions for projects are included in Other Provincial funding.

Other Provincial Funding

Other Provincial Funding was \$0.250 million ahead of budget primarily due to a reduction in funding needs for Museum modernization project offset by additional funding to support reopening of the Museum.

Museum Admission Fees

Museum admission fees were higher than budget due to stronger than anticipated attendance. Admission fees were \$0.854 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 \$4.217 million under budget. Revenues were down significantly for programs, services and miscellaneous due to cancellation of the Museum modernization project in June 2022 and related impact on planned funding.

Expenses

Salaries and Benefits

Salaries and benefits were \$2.063 million lower than budget primarily due to hiring lag and vacancies in most departments, and reduced spending on the modernization of the Museum.

ARO Accretion

On April 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations (ARO). The ARO Accretion expense reflects the estimated annual increase in the ARO liability due to inflation.

Other Operating Costs

Other operating costs includes systems, professional services, materials and supplies, cost of goods sold, offsite storage, marketing and communications, office and business, insurance, travel, bank charges, collections and artifacts, and miscellaneous. Most of the variance was due to higher spending on professional services, materials and supplies, and offsite storage that were primarily funded by the Province to support reopening of the Museum.

Risks and Uncertainties

The Royal BC Museum is committed to a strong financial foundation for the delivery of quality museum and archival services. Financial sustainability is central to our stewardship role. To effectively manage the variable and unpredictable nature of our revenue and philanthropic contributions, we are working to diversify and increase revenue streams and we are exploring innovative ways to engage donors, both provincial and federal governments, as well as the private sector. These revenue streams take time to develop and require both human and financial resources to build up. The Royal BC Museum expenses are essentially fixed apart from special exhibitions or funded programs. We continue to develop strategies to manage expenditures while maximizing programs in order to meet our mandate in the most cost-effective manner.

The largest financial risk in the budget is admission revenues, that make up 40 per cent of total revenue budget. Admission revenues could be impacted by:

- Lower tourism numbers including internal, USA and international travellers
- Admission pricing negatively affects visitor attendance levels
- Required building or gallery repairs impact revenue generation (e.g. escalator failure)

If inflation exceeds planned 3 per cent levels, this could impact expenditures.

Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to March 31, 2023 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
Collections and Research Building	2025	31	239	270
<p>Objective: To protect the collections and increase accessibility</p> <p>Costs: \$270M</p> <p>Benefits:</p> <ul style="list-style-type: none"> • The Collections and Research Building will store and protect the collections, artifacts and archives; • Provide research areas and laboratories; • Support public access to more of the collections of B.C. <p>Risks:</p> <ul style="list-style-type: none"> • Construction market conditions, including supply chain and labour pressures, may impact timeline and costs. 				

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 Mandate Letter from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
<p>Continue to work closely with Government, partners and Indigenous communities to advance Reconciliation and support repatriation of belongings to Indigenous communities.</p>	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Truth and Reconciliation Committee established and a series of events held for National Day for Truth and Reconciliation. • Mandatory B.C. specific Indigenous Cultural training introduced. • Committed to community-led approach for engagement, repatriation and Indigenous exhibition development. • Recruited additional team members to the Indigenous Collections and Repatriation team to better serve Indigenous communities.
<p>Increase the Royal BC Museum’s presence across the Province and make the Museum and archives more available to British Columbians</p>	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Continued digitization. • Developed a framework for broad-scale provincial community engagement. • Increased provincial learning opportunities in communities and continued digital efforts. • Travelled a series of exhibitions to communities including Port Moody, Duncan, Courtney, Port Alberni, Surrey, Vancouver, Kitimat, Hudson’s Hope, Greater Victoria, Revelstoke, Whistler, Fort St John, Kelowna, Trail, Smithers, North Cowichan and Sooke.

2021/22 Mandate Letter Priority	Status as of March 31, 2023
<p>Offer unique visitor experiences, both on-site and online.</p>	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Continued through a diverse and exhibitions and film schedule and learning initiatives.
<p>Prioritize modernization by continuing redevelopment of the Museum, as well as modernizing operating and organizational practices.</p>	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Created a thoughtful framework and plan for community engagement and implemented Phase 1. • Progressed work on the Collections and Research Building (CRB).
<p>Develop EDIA policies and practices to ensure the Royal BC Museum is a culturally safe place for all</p>	<p>Status: Underway</p> <ul style="list-style-type: none"> • Revised a number of internal policies and practices to support a modern and inclusive team. This work continues. • Mandatory cultural training for employees and active volunteers.
<p>Respond to COVID-19</p>	<p>Status: Complete</p> <ul style="list-style-type: none"> • Continued health and safety measures on site. • Provided attractive exhibition, films and programs to welcome visitors to the Museum.

Appendix B: Auditor's Report and Audited Financial Statements

**ROYAL BRITISH COLUMBIA MUSEUM
CORPORATION FINANCIAL STATEMENTS
MARCH 31, 2023**

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

MANAGEMENT'S REPORT

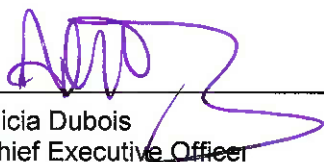
The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with the financial reporting framework disclosed in Note 2, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for 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.

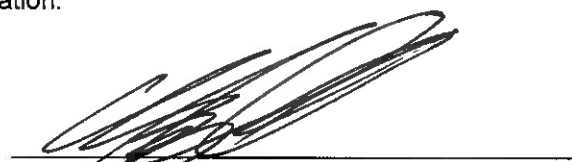
The Royal British Columbia Museum Corporation's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board and its Finance and Audit Committee. The Board reviews internal 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



Wayne Powell
Executive Financial Officer and
VP Corporate Finance

Victoria, British Columbia
June 22, 2023



Independent Auditor's Report

*To the Board of Governors of the Royal British Columbia Museum Corporation, and
To the Minister of Tourism, Arts and Culture, 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, 2023, and the statements of operations and accumulated surplus, changes in net debt, 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, 2023, and the results of its operations, change in its net debt, remeasurement gains and losses 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 entity in accordance with the ethical requirements that are relevant to my audit of the entity's financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Deferral of revenue

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.

Independent Auditor's Report

Royal British Columbia Museum Corporation

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, 2023 would have been lower by \$24.5 million, revenue, annual surplus and accumulated surplus would have been higher by \$24.5 million and net debt would have been lower by \$24.5 million.

Control of the Royal 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 \$15.6 million, an understatement of revenues of \$1.2 million and an understatement of expenses of \$1.2 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 draft 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 and has not consolidated the results of the Foundation. 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 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 the 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

Independent Auditor's Report

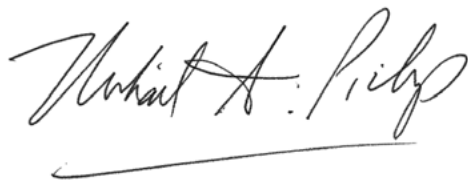
Royal British Columbia Museum Corporation

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.



Michael A. Pickup FCPA, FCA
Auditor General of British Columbia

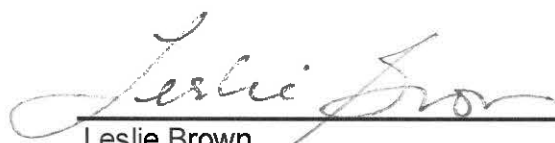
Victoria, British Columbia, Canada
June 26, 2023

Royal BC Museum Corporation
Statement of Financial Position
As at March 31, 2023

	Notes	2023	2022
Financial Assets			
Cash and cash equivalents	3	\$ 4,580,529	\$ 12,179,926
Accounts receivable	5	5,803,592	2,459,690
Inventory	2 (e)	43,296	75,925
		10,427,417	14,715,541
Financial Liabilities			
Accounts payable and accrued liabilities	6	14,500,665	10,760,614
Leave liability	2(d)	471,230	460,498
Asset retirement obligation	2(n), 24	8,944,435	8,256,402
Deferred revenue	2(f), 7	1,240,287	1,288,863
Deferred capital contributions	2(g), 8	24,743,351	14,954,863
		49,899,969	35,721,240
Net Financial Debt		(39,472,552)	(21,005,699)
Non-Financial Assets			
Tangible capital assets	2(h), 10	56,255,764	41,340,255
Prepaid expenses	2(i)	748,394	252,362
		57,004,158	41,592,617
Accumulated Surplus		17,531,606	20,586,918

Contractual Obligations (Note 14)
Subsequent Events (Note 25)

Approved on behalf of the Board



Leslie Brown
Board 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	2023 Budget (Note 17)	2023	2022
Revenues				
Provincial operating contributions		\$ 11,866,000	\$ 12,391,000	\$ 11,866,000
Provincial contributions for other purposes		6,488,000	6,738,387	5,169,341
Museum admission fees and memberships		448,089	1,704,698	4,048,050
IMAX admission fees and annual passes		2,416,800	2,014,411	849,547
Grants and sponsorships		418,000	97,935	73,679
Contributions from RBCM Foundation	13	409,700	546,636	326,893
Property leases		238,000	142,351	114,130
Programs, services and miscellaneous		5,527,000	1,800,832	1,347,031
Amortization of deferred capital contributions	8	862,743	603,805	860,308
Donated collections and artifacts		-	46,700	139,163
Total Revenues		28,674,332	26,086,754	24,794,142
Expenses				
Salaries and benefits		15,404,700	13,341,721	12,743,552
Building costs		2,612,500	2,747,585	2,169,096
Amortization		1,262,743	1,145,545	1,126,162
Accretion		-	688,033	818,202
Security		940,500	930,020	1,037,574
Taxes, City of Victoria		831,908	784,522	884,479
Special exhibitions	9	-	242,613	2,070,796
Systems and telecommunications		1,217,000	950,053	718,867
Professional services		3,843,000	4,685,989	1,841,812
Materials and supplies		375,960	1,211,253	705,876
Cost of goods sold		1,275,040	898,791	366,686
Offsite storage		800,000	1,352,978	802,809
Marketing and communications		600,000	631,578	378,360
Office and business		535,000	423,340	234,088
Insurance		562,500	426,521	354,933
Travel		211,000	323,652	47,174
Bank charges		100,000	101,157	106,376
Collections and artifacts		-	46,700	139,163
Other		252,481	208,302	299,867
		30,824,332	31,140,352	26,845,873
Annual Operating Surplus/(Deficit)		(2,150,000)	(5,053,598)	(2,051,730)
Accumulated Surplus, beginning of year			20,586,918	30,076,848
Adjustments				
Asset retirement obligation	24		-	(7,438,200)
Imax adjustment	21		1,998,286	-
Accumulated Surplus, end of year	12		\$ 17,531,606	\$ 20,586,918

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

	2023 Budget	2023	2022
Annual operating surplus/(deficit)	\$ (2,150,000)	\$ (5,053,598)	\$ (2,051,730)
Acquisition of tangible capital assets	-	(14,747,880)	(6,076,522)
Deferred capital contribution adjustment	-	685,113	-
Write-down of tangible capital assets	-	-	1,761,571
Amortization of tangible capital assets	1,262,743	1,145,545	1,126,162
	(887,257)	(17,970,820)	(5,240,519)
Acquisition of prepaid expense	-	(1,614,161)	(1,279,605)
Use of prepaid expense	-	1,118,129	1,193,095
	-	(496,032)	(86,510)
Write-down of other assets	-	-	-
	-	-	-
(Increase) decrease in net debt	(887,257)	(18,466,852)	(5,327,029)
Net debt, beginning of year	(21,005,700)	(21,005,700)	(15,678,671)
Net debt, end of year	(21,892,957)	(39,472,552)	(21,005,700)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 2023

	2023	2022
OPERATING ACTIVITIES		
Annual Operating Surplus (Deficit)	\$ (5,053,598)	\$ (2,051,729)
Items not affecting cash:		
Write off of other assets	-	-
Amortization	1,145,545	1,126,162
Accretion	688,033	818,202
Amortization of deferred capital contributions	(603,805)	(860,308)
Write-down of tangible capital assets	-	1,761,571
Changes in operating working capital:		
Accounts receivable	(3,343,902)	2,510,746
Inventory	32,629	8,419
Prepaid expenses	(496,032)	(86,512)
Accounts payable and accrued liabilities	3,740,051	4,856,417
Leave liability	10,733	(115,073)
Deferred revenue	(48,576)	(160,831)
Cash provided by or (used in) operating activities	(3,928,922)	7,807,064
CAPITAL ACTIVITIES		
Cash used to purchase tangible capital assets	(14,747,880)	(6,076,522)
Cash received for the acquisition of tangible capital assets (excluding land)	11,077,406	3,283,098
Cash from (used for) investing activities	(3,670,474)	(2,793,424)
Increase (decrease) in cash and cash equivalents	(7,599,396)	5,013,640
Cash and cash equivalents, beginning of year	12,179,926	7,166,285
Cash and cash equivalents, end of year	4,580,529	12,179,926

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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, 2023

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 as revenue 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, 2023**

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 into 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 exhibition fees 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, 2023

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, asset retirement obligations and estimated useful life of tangible capital assets. In addition, the Corporation's implementation of PS 3280 *Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the expected retirement costs, including the timing and duration of these retirement costs.

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.

(n) Asset Retirement Obligations (ARO)

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

2. Significant accounting policies (continued):

- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for the removal of asbestos in several of the buildings owned by the Corporation has been recognized based on estimated future expenses on closure of the site and post-closure care.

Under the modified retroactive method, the assumptions and information provided from the Quantity Surveyors Assessment Report dated June 2021 was used for the initial recognition of the ARO liability at the date of adoption of the standard. The discount rate was not used since a settlement date is unknown, and the Quantity Surveyor report includes monthly escalation allowance and the value at June 2021 has been adjusted for inflation as described in the report. Assumptions used for the subsequent years will be reassessed yearly. The tangible capital assets affected by the asbestos liability are fully amortized with the building asset. Any new asset retirement obligation after implementation would follow the amortization accounting policies outlined in note 10 (capital assets note).

When the criteria are met and a settlement date is provided for the Corporation the liability would be reviewed to determine if it should be adjusted based on a professional assessment report and present value calculation. Should the recognition of a liability result in an accompanying increase to the respective tangible capital assets they will be amortized on the basis of the underlying asset.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

3. Cash and Cash Equivalents

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

	2023	2022
Cash	\$ 4,548,529	\$ 9,787,324
Cash equivalents	32,000	39,043
Cash held in trust - holdback for land purchase	-	2,353,559
Total Cash and Cash Equivalents	\$ 4,580,529	\$ 12,179,926

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:

	2023	2022
	Increase/ (Decrease)	Increase/ (Decrease)
Statement of Financial Position		
Deferred capital contributions	\$ 24,743,351	\$ 14,954,863
Deferred revenue	413,461	406,072
Accumulated surplus	\$ 25,156,812	\$ 15,360,935
Statement of Operations and Accumulated Surplus		
Amortization of deferred capital contributions	\$ (603,805)	\$ (860,308)
Annual operating (surplus) deficit	\$ (603,805)	\$ (860,308)

5. Accounts Receivable

	Balance at March 31, 2023	Balance at March 31, 2022
Provincial	\$ 4,895,808	\$ 2,203,208
Federal	214,063	67,876
Other	693,721	188,606
Total	\$ 5,803,592	\$ 2,459,690

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

6. Accounts Payable and Accrued Liabilities

	2023	2022
Provincial Government	\$ 10,990,223	\$ 9,270,042
Federal Government	-	6,183
Other	3,510,442	1,484,389
Total	\$ 14,500,665	\$ 10,760,614

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, 2022	Additions/ Adjustments	Recognized to revenue	Balance at March 31, 2023
<i>Restricted funds</i>				
Provincial	\$ 406,072	\$ 1,413,461	\$ (1,406,072)	\$ 413,461
Federal	131,781	29,051	(17,799)	143,033
Other	395,991	(14,778)	(343,475)	37,738
<i>Unrestricted</i>				
Other	355,019	1,217,061	(926,024)	646,055
Total	\$ 1,288,863	\$ 2,644,795	\$ (2,693,371)	\$ 1,240,287

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, 2022	Additions transfers	Adjustments	Amortized	Balance at March 31, 2023
Provincial government	\$ 12,223,047	\$ 11,077,406	\$ 685,113	\$ 392,588	\$ 22,222,752
Federal government	2,090,684	-	-	148,177	1,942,507
Other	641,132	-	-	63,039	578,093
Total	\$ 14,954,863	\$ 11,077,406	\$ 685,113	\$ 603,805	\$ 24,743,351

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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 2023 Wildlife Photographer was hosted from mid-December through the end of the fiscal year. No major exhibition was hosted during the summer/fall of 2022. Other costs include expenses associated with exhibits opening in Fiscal 2023/24.

	2023	2022
Salaries and benefits	\$ -	\$ -
Professional services contracts	24,265	18,002
Marketing and communications	87,639	248,766
Materials and supplies	118,929	107,088
Other	11,781	1,696,940
Total	\$ 242,613	\$ 2,070,796

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

10. Tangible Capital Assets

Cost	Balance at March 31, 2022	Adjustments	Additions (Note 21, 24)	Balance at March 31, 2023
Land	\$ 25,256,253	\$ -	\$ 2,357,579	\$ 27,613,832
Permanent exhibitions	1,110,407	-	32,755	1,143,161
Operating equipment	2,503,136	(327,113)	363,678	2,539,702
Hardware and software	3,800,660	327,113	751,125	4,878,898
Furniture	31,340	-	-	31,340
Buildings and improvements	20,800,834	4,844,329	11,242,743	36,887,905
Asset retirement obligation	3,049,355	-	-	3,049,355
Total	\$ 56,551,985	\$ 4,844,329	\$ 14,747,880	\$ 76,144,194

Accumulated Amortization	Balance at March 31, 2022	Adjustments	Amortization (Note 21, 24)	Balance at March 31, 2023
Land	\$ -	\$ -	\$ -	\$ -
Permanent exhibitions	1,110,407	-	-	1,110,407
Operating equipment	960,282	-	184,155	1,144,437
Hardware and software	3,370,319	-	241,884	3,612,202
Furniture	31,340	-	-	31,340
Buildings and improvements	6,690,027	3,531,156	719,506	10,940,689
Asset retirement obligation	3,049,355	-	-	3,049,355
Total	\$ 15,211,730	\$ 3,531,156	\$ 1,145,545	\$ 19,888,431

Net Book Value	Balance at March 31, 2022	Balance at March 31, 2023
Land	\$ 25,256,253	\$ 27,613,832
Permanent exhibitions	-	32,755
Operating equipment	1,542,854	1,395,266
Hardware and software	430,341	1,266,695
Furniture	-	-
Buildings and improvements	14,110,807	25,947,216
Asset retirement obligation	-	-
Total	\$ 41,340,255	\$ 56,255,764

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

10. Tangible Capital Assets (Continued)

At March 31, 2023 the capital projects in progress include:

Land under development	15,103,692
Permanent exhibitions	32,755
Hardware and software	1,022,884
Buildings and improvements	15,870,125
Total capital projects not placed into use	32,029,456

Work in progress at March 31, 2023 includes \$15.4 million for the Collections and Research Building (CRB) capital project which is due to complete in early 2026. Amortization of these assets, excluding land will commence when the building is placed in to service.

On April 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The impact on capital assets are as follows:

- At March 31, 2022:
 - Buildings and Improvements (ARO) \$3,049,355
 - Accumulated Amortization \$3,049,355

For more information on asset retirement obligations see note 24.

The value of the IMAX theatre building asset was adjusted in the current year (see note 21). The impact of this adjustment in fiscal 2022/23 was as follows:

- Increase IMAX Building \$4,884,329
- Increase Opening Accumulated Amortization \$3,531,156
- Increase Amortization Expense \$79,586

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

10. Tangible Capital Assets (Continued)

**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
<hr/>				
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
<hr/>				
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, 2023**

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	17,730,490

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 2023 fiscal year, the Corporation de-accessioned 26 batches (2022: 33) and accessioned 158 batches (2022: 224) 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, 2022	Additions	Uses	Balance at March 31, 2023
Unappropriated operating surplus	\$ 25,677,546	-	(5,053,598)	\$ 20,623,948
Other unappropriated surplus:				
Asset retirement obligation	(7,438,200)	-	-	(7,438,200)
IMAX adjustment	-	1,998,286	-	1,998,286
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	\$ 20,586,918	1,998,286	(5,053,598)	\$ 17,531,606

Certain amounts are set aside in accumulated operating surplus for future financial obligations and the purchase of capital assets. The operating deficit of \$5,053,598 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, 2023**

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 \$7,978,514 (2022 - \$7,725,000), 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:

	2023	2022
Funding for non-capital projects	\$ 546,636	\$ 326,893
Purchases of goods and services	48,524	55,930
Total	\$ 595,160	\$ 382,823

As at March 31, 2023 \$289,248 is due from the Foundation to the Corporation and is included in the accounts receivable (2022: \$96,504)

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

	2023	2022
Purchases of goods and services	5,418	18,499
Total	\$ 5,418	\$ 18,499

As at March 31, 2023 \$179 is due from the Corporation to the Foundation and is included in the accounts payable (2022: \$74)

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

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 expired October 31, 2022. The Corporation extended the contract by one year to October 31, 2023.

Under the terms of the agreement, the Corporation will pay fixed and variable fees. Fixed fees are as follows:

2024		331,427
Total	\$	331,427

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:

2024		1,091,966
Total	\$	1,091,966

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:

2024		\$ 735,453
2025		740,839
2026		559,813
2027		531,661
2028		486,564
2029		491,243
2030		491,243
2031		81,874
Total	\$	4,118,689

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2031. These costs amounted to \$64,778 in fiscal year 2023.

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
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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 expired 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. On January 11, 2023 the Corporation exercised a one-year extension to November 30, 2023. The maximum future payments are as follows:

2024	\$	386,571
Total	\$	386,571

In addition, the Corporation will be invoiced at cost for janitorial consumables (approximately \$65,000 for 2023).

Exhibition loan fees

The Corporation has entered into a commitment for the loan of artifacts and object for exhibition. The future anticipated payment is as follows:

2024	\$	936,000
Total	\$	936,000

Collection and Research Building Design Build Contract

In February 2023 Maple Reinders was awarded the Design Build contract for \$204.8 million. The total capital cost of the CRB is estimated to be over \$270 million, all of which is funded by the Province of BC. The estimated future maximum payments are as follows:

2024	\$	58,575,196
2025		108,171,908
2026		18,826,856
Total	\$	185,573,959

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 144,000 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.

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.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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 comparatives purposes and are from the Corporation's Fiscal 2022/2023 Budget approved by the Royal BC Museum Corporation Board of Directors on February 3, 2022 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.

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.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

21. IMAX Theatre Purchase – Adjustment

The value of the IMAX theatre building asset was adjusted in the current year by increasing the asset value and accumulated amortization, and increasing annual amortization. This adjustment recognizes that the IMAX building should have been on the Corporation's financial records when constructed, offset by a corresponding liability that would have been reduced over 40 years. The liability was eliminated when the Corporation purchased the IMAX Theatre on August 29, 2020.

The adjustment in 2022/23 is as follows:

	Opening Balance 2023	Adjustments	2023 Depreciation	Ending Balance 2023
IMAX building asset	1,358,902	4,844,329	-	6,203,231
Accumulated amortization	(113,242)	(3,531,156)	(155,081)	(3,799,479)
Accumulated surplus	-	(1,998,286)	-	(1,998,286)
Amortization expense	-	-	155,081	155,081
Deferred capital contributions	(1,245,660)	685,113	33,973	(526,574)

The IMAX building will be fully amortized on September 30, 2039. The annual amortization expense will be increased by \$79,586.

22. Economic Dependence

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

23. Change in Accounting Policy – PS 3280 Asset Retirement Obligations:

On April 1, 2022, the Corporation adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retroactive basis at the date of adoption.

On April 1, 2022, the Corporation recognized an asset retirement obligation relating to several buildings owned by the Corporation that contain asbestos. The buildings were fully amortized when originally acquired in 2003. The buildings had an expected useful life of 40 years, and the estimate has not been changed since acquired. As of the date of adoption of the standard, the ARO liability was estimated based on the Quantity Surveyors Assessment Report, adjusted for escalation costs, and the full value of that ARO asset has been amortized at March 31, 2023.

Details on the accounting entries are provided in Note 24.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023**

24. Asset Retirement Obligations

The Corporation owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 Asset Retirement Obligations, the Corporation recognized a \$8,256,402 obligation relating to the removal and post-removal care of the asbestos in these building as estimated at April 1, 2022. The buildings have been fully amortized. Post-closure care is estimated to extend for up to a year post the closure of the building while demolition and construction continues. Estimated costs have been based on Quantity Surveyors Assessment Report dated June 2021.

The transition and recognition of asset retirement obligations involved an increase to liability obligation and a decrease to accumulated surplus. As the buildings were fully amortized when acquired in 2003 there is no reflection or restatement of prior year balances in capital assets. (cross reference to change in policy note).

In the current year a further projected cost escalation to March 31,2023 was recognized of \$688,033.

The following table provides details of the ARO liability in fiscal 2022/23:

	2022	2023
Opening balance - ARO liability	\$ 7,438,200	\$ 8,256,402
Accretion expense	818,202	688,033
Closing balance - ARO liability	\$ 8,256,402	\$ 8,944,435