

Royal BC Museum

2023/24
Annual Service Plan Report

August 2024



For more information on the Royal BC Museum, please contact us at:

675 Belleville St

Victoria B.C. V8W 9W2

250-356-7226

Or visit our website at: <https://royalbcmuseum.bc.ca/>

Published by the Royal BC Museum

Board Chair's Accountability Statement



The Royal BC Museum 2023/24 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2023/24 – 2025/26 Service Plan published in 2023. 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, Royal BC Museum
August 9, 2024

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Letter from the Board Chair

On behalf of the Board of Directors, I respectfully submit the Royal BC Museum 2023/24 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 [2021/22 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; reimagining the Museum's experience; and continued COVID-19 recovery.

Key actions taken as a result of the Museum's commitment to the [Declaration on the Rights of Indigenous Peoples Act](#) included increasing capacity within the Indigenous Collections and Repatriation Department to support increased numbers of inquiries, research requests, community visits and repatriation requests from Indigenous communities and First Nations.

The Royal BC Museum stewards the records of two Catholic congregations involved in running Indian Residential Schools in British Columbia: records of the Oblates of Mary Immaculate, and the Sisters of St Ann. Two hundred and eighty-five linear metres of these records have been described and digitized for transfer to the National Centre for Truth and Reconciliation (NCTR), whilst maintaining access for communities. The Royal BC Museum continues to listen to and be led by communities, survivors, and their families, and acknowledges that access to information is central to meaningful truth and reconciliation.

This report also outlines the Museum's work with the Province and key partners to continue province-wide community engagement with the people of British Columbia to inform the future of the Royal BC Museum. Phase 1 began in 2022/23 with information and dialogue sessions about the Royal BC Museum, including its facilities, mandate and challenges. Phase 2 engagement elaborated on the four key themes identified during Phase 1. The key themes were:

- Building, spaces, and facilities.
- Indigenous Reconciliation and United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) implementation.
- Diversity and representation.
- Inclusion and accessibility.

Phase 2 of community engagement began in September of 2023 and by end of March, 93 engagement sessions were held with 5,996 participants. In January 2024 a provincial survey was launched amassing 4,774 responses by the end of March 2024; the survey will remain open for response until early 2025. This pivotal work will help set the course for the future of the Museum and how we serve the people of British Columbia.

Another important step forward over the past fiscal year is the construction of the Provincial Archives, Research and Collections (PARC) Campus building in Colwood. Work is well underway towards building the facility that will safeguard the collections that represent the collective history of British Columbia. PARC Campus is a state-of-the-art-facility that will provide more opportunities for partner collaboration, further educational programming, and to be more sustainable, meeting CleanBC energy efficiency standards and LEED Gold certification.

Visitor experience has also been an area of concentrated effort this year. The Museum welcomed more temporary exhibitions than ever before and sought to provide opportunities for community gathering and celebration.

IMAX® Victoria has continued to be a stronghold appealing to diverse audiences and driving revenue. This year, monthly sensory-sensitive screenings were introduced, and the Museum also launched 'Combo Pass', a membership offering a combined annual membership for IMAX® and the Museum.

As a provincial Crown corporation, accountability guides our planning and decision making. The Board Chair and CEO meet with the Minister and Deputy Minister for Tourism, Arts, Culture and Sport quarterly to ensure the Royal BC Museum's actions are aligned with its Mandate Letter.



Leslie Brown
Board Chair
August 9, 2024

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 [2021/22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the Royal BC Museum [2023/24 - 2025/26 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

The Royal BC Museum explores the province's human history and natural history, advances new knowledge and understanding of B.C., and provides a dynamic forum for discussion and a place for reflection. The museum and archives celebrate culture and history, telling the stories of BC in ways that enlighten, stimulate, educate and inspire.

The downtown site 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. Located in Victoria on the territory of the ləkʷəŋən (Lekwungun) peoples, known today as the Songhees and Esquimalt Nations, we are a hub of community connections in B.C. – on-site, offsite and online.

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 reimagining Museum infrastructure, operating and organizational policies and procedures; and conducting robust consultations with First Nations and Indigenous people, diverse cultural communities and broad-scale community engagement throughout the province on the future of the Museum.

Under the [Museum Act](#) (2003), the Royal BC Museum 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).

Operating Environment

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

In 2023-24, the Museum received an annual grant of \$12.940 million from the B.C. government, which represents approximately 45 per cent of its core operating budget. This does not include capital project funding and other one-time funding support of \$11.8 million provided by the Province. Revenues of \$11.4 million were derived from admissions revenue, programming and licensing, IMAX® Victoria tickets, concession and retail revenues, sponsorship and philanthropic contributions, all of which are variable funding sources.

In July 2023 the Chief Executive Officer of the Museum stepped down, and in August 2023 the Board appointed a temporary Chief Executive Officer, Tracey Drake, whose appointment was confirmed in February 2024. This appointment will provide stability in the operation and strategic priorities of the Museum.

The Royal BC Museum is focused on reopening the balance of the third-floor galleries to the public and a robust, province-wide public engagement with Indigenous communities, and all British Columbians, including culturally diverse communities and other partners about the future of the Museum.

Construction of the purpose-built collections and research building project, now officially named the PARC Campus, has continued from the previous fiscal year. PARC is an acronym for Provincial Archives, Research and Collections and the campus will house the Museum and Archives collections and increase public access, while acting as a community gathering space.

Key financial and operational challenges included the management of aging infrastructure, a drive to reopen the closed gallery spaces, resourcing provincial public engagement on the future of the Royal BC Museum, resourcing collections stewardship (especially in preparation to move to PARC Campus) and increasing public needs for digitization (particularly for repatriation and archives). Rising inflation and supply chain issues, and a period of slow economic growth and challenging global economic times, also presented challenges, as these factors influenced visitation levels, directly impacting Museum revenues and long-term financial planning.

The Museum worked diligently toward progressive change and improvement both within its workplace and with its relationships with British Columbians.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2023/24 – 2025/26 service plan. For forward-looking planning information, including current targets for 2024/25 – 2026/27, please see the latest service plan on the [BC Budget website](#).

Goal 1: The Museum is modern and inclusive.

Objective 1.1: Continue to nurture a relationship-focused approach to serving British Columbians.

This objective supports one of the key foundational principles of the Royal BC Museum's mandate letter: to put people first. The Museum sought to engage with communities across B.C. to strengthen existing relationships, listen to perspectives of those the Museum has not heard from before, and lay the groundwork for a progressive environment that adapts to meet the needs of British Columbians now and in the future.

Key results

- The First Peoples' Gallery Planning Committee was established to work collaboratively as a steering group to reopen the First Peoples Gallery. The committee is comprised of 22 Indigenous community members, representing six of seven language groups in B.C.
- Worked in partnership with the Ministry of Tourism, Arts, Culture and Sport to develop and deliver Phase 2 of a province-wide engagement strategy. Nighty eight in-person and virtual engagement sessions took place in 2023/24 with 5,996 participants. A survey was launched that will remain open until early 2025. In 2023/24, 4,774 surveys were completed.
- Launched a number of key exhibitions reflecting the diversity of visitor and resident interests including Angkor: The Lost Empire of Cambodia (the ancient empire of Khmer culture), SUE: The T.rex Experience (the most complete and best-preserved T.rex ever found), Dinosaurs of BC (in-house built exhibition showing the variety of dinosaurs who roamed BC) as well as Wildlife Photographer of the Year (showcasing the best wildlife photography from around the world). Also, re-opened Old Town, New Approach with co-created content and with community partners including the B.C. Black History Awareness Society and the Victoria Chinatown Museum Society.
- Introduced a new pilot program "MyMuseum Pass" with the City of Victoria L.I.F.E program providing free Museum admission to individuals and families living on a low income.
- A series of sensory-sensitive screenings were introduced at IMAX® Victoria to expand offerings to guests who find the immersive IMAX® experience prohibitive.

Summary of progress made in 2023/24

Important conversations continued in 2023/24 as the Museum embarked on deeper engagement throughout the province to encourage active participation, feedback, and collaboration from diverse voices and perspectives on the future of the Royal BC Museum.

Museum staff visited over 25 communities to engage with British Columbians. Travelling to communities allowed people to be deeply involved in the sharing of their history, lived experiences and stories. Through this collaborative process, the Museum dove deeper into themes that were emphasized in the Phase 1 dialogue. Between in-person sessions (including community conversations, events, and presentations), online events, and survey responses, the Museum has generated more than 11,000 engagement touchpoints.

Objective 1.2: Commit to the work required for systemic cultural transformation within the Museum and Archives.

The Royal BC Museum is committed to ensuring that inclusion, diversity, equity, and accessibility are embedded in all of its policies, practices, procedures, and programming.

Key results

- All volunteers and employees now receive mandatory cultural training upon joining the organization and further opportunities for expanding cultural agility are encouraged.
- Introduced Hive Minds, an internal initiative to promote cultural humility and agility within the Museum team.
- Expanded narratives within existing spaces in the galleries, such as the railway porters story added to the train station exhibit in Old Town, New Approach and work continues to co-create other gallery spaces with community.
- Supported and advanced the work of the Truth and Reconciliation Commission (TRC) by acknowledging and responding to the Calls to Action, especially those related to the defined responsibilities of museums and archives, or missing children and burial information. An additional digitization specialist was recruited to expedite the transfer of records to the National Centre for Truth and Reconciliation.
- Hosted a paddle gathering on the Victoria Harbour for the opening of Sacred Journey, with over 500 guests from Coast Salish communities.

Summary of progress made in 2023/24

The Museum has continued to face and address its colonial heritage, carving a new path forward. Internally, the Cultural Transformation team facilitated monthly sessions that all staff were welcome to attend, discussing the actions and outcomes from the [Royal British Columbia Museum Report to British Columbians](#) providing a safe space for reflection and consideration to inform action.

Performance measures and related discussion

Performance Measures	2022/23 Actual	2023/24 Target	2023/24 Actual
1.1a Number of community engagement participants (in person and online)	24 communities, 580 participants attended engagement sessions (in-person and virtual) 498 survey participants	850	5,996 participants attended engagement sessions (in-person and virtual) 4,774 survey participants
1.2a Percentage of staff and volunteers trained in EDIA practices and policies	87% employees 100% volunteers	80%	82.5% employees 100% volunteers

Data sources: 1.1a and 1.2a: Royal BC Museum.

PM 1.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 600 participants and 450 participants, respectively.

PM 1.2a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 100% and 100%, respectively. Previous reporting was 100 per cent of volunteers completed the EDIA and training workshops and 87 per cent completed by employees.

1.1a – In 2023/24 the actual number of participants in the community engagement process vastly exceeded the target with 5,996 people attending in-person or virtual engagement sessions, and 4,774 people completing the online survey. It is assumed that some participants would have both attended a session and completed the online survey. The target was surpassed dramatically as the strategic approach to Phase 2 shifted following the feedback and outcomes of Phase 1. Instead of a small number of in-depth engagement sessions with audiences, there was a concentrated effort on mass engagement to hear from as many people throughout the province as possible.

1.2a – The average percentage of staff trained in Equity, Diversity, Inclusion and Accessibility (EDIA) practices and policies was 82.5 per cent. Eighty-seven per cent of employees completed Indigenous cultural training and 78 per cent completed diversity and inclusion essentials. This training is mandatory for all employees as part of the onboarding process but can take time to complete due to capacity limits of courses offered. One hundred per cent of volunteers were trained in EDIA practices and policies. This result is due to the supporting policy that ensures volunteers must complete the training prior to commencement of their duties.

Goal 2: The provincial collections and records are accessible.

Objective 2.1: Support repatriation as a collaborative journey with Indigenous communities.

Cultural objects were often stolen or removed under duress from Indigenous communities. The Royal BC Museum acknowledges the harmful impacts resulting from these actions and is committed to working with Indigenous communities on the repatriation of their belongings.

Key results

- To support the important work of the Indigenous Collections and Repatriation Department, key roles were recruited including a department director, an additional collections manager and two repatriation specialists.
- The Museum continued its commitment to a community-led approach to repatriation and is currently working with 17 communities to support active repatriation requests.

Summary of progress made in 2023/24

The Museum has continued to see an increase in repatriation inquiries and requests. In order to support this important 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 to increase capacity.

The Museum took a community-led approach to repatriation, hosting visits to collections, research work and digitization.

Objective 2.2: Continue digitizing museum collections and experiences.

Much of the Royal BC Museum's audience experiences the Museum online rather than in-person. The Museum continues to refine existing digital tools and programming, and expand offerings with new ones, to provide continued opportunities and experiences for people of all ages throughout British Columbia.

Key results

- More than 6.9 million online searches of Museum and Archives collections were completed by visitors in 2023-24.
- In 2023-24 the Museum hosted 12 interactive livestreams, 22 Digital Field Trips and nine additional online lectures/sessions reaching audiences across British Columbia. New content was developed and added to the online [Learning Portal](#), which attracted 48,269 online visitors throughout the year.
- The BC Archives continued the expedited digitization of records transferred from the Oblates of Mary Immaculate (OMI) and Sisters of St Ann for transfer to the National

Centre for Truth and Reconciliation (NCTR) whilst prioritizing access to these records. In total, 285 linear metres of records were digitized.

Objective 2.3: Continue to develop Provincial Archives, Research and Collections (PARC) Campus.¹

The Museum is working in partnership with the Ministry of Tourism, Arts, Culture and Sport, along with key partners, namely Transport Investment Corporation, Infrastructure BC, and the Songhees Nation and Esquimalt Nation, on the development of a new state of the art archives, research and collections building called the Royal BC Museum Provincial Archives, Research and Collections (PARC) Campus. This innovative facility will provide adequate space and continued care for the collections and archives, house modern research facilities, and improve public access to the collections.

Key results

- The official name for the completed building was announced as Royal BC Museum Provincial Archives Research and Collections Campus, to reflect the multi-faceted, expert work that will take place at the new state of the art facility.
- PARC Campus site is on the traditional territories of the lək̓ʷəŋən People, known today as the Esquimalt and Songhees Nations. The host Nations have been providing guidance and support from procurement through to completion. In keeping with protocol, a blessing ceremony was held by Shaker faith cultural workers at the site and included Songhees and Esquimalt members as well as representatives from the museum, the Province, the design-build team and Transportation Investment Corp.
- Construction on the physical building began in 2023 and key milestones delivered included the concrete slab pour, work on the structure of the building and an installation of the rammed-earth wall. The Museum continued to advance the preparation and packing of the provincial collections.
- A public art procurement process was created that had two parallel approaches: 1) as a call for artists to commission three site-specific, context responsive, and public artworks for PARC Campus and 2) a direct commission to Indigenous artists.
- BC Archives began an engagement process to help inform future operations, offerings and programs through information and dialogue sessions. In early 2024, a total of 107 participants attended the two information sessions and three dialogue sessions hosted by BC Archives.

¹ In March 2024, the Royal BC Museum announced the name of its new archives, research and collection facility as Royal BC Museum PARC Campus. PARC is an acronym for Provincial Archives, Research and Collections.

Summary of progress made in 2023/24

Significant progress was made advancing PARC Campus, both on-site in the physical development of the project and at the Museum, continuing the important work of preparing the provincial collections for the move to the new state-of-the-art facility.

Performance measures and related discussion

Performance Measure	2022/23 Actual	2023/24 Target	2023/24 Actual
2.1a Per cent of repatriation inquiries actioned	N/A ¹	100%	100%
2.2a Number of objects BC Archives will add to BC Archives online collections databases annually, in thousands (K)	6.7	7.0	8.9
2.2b Number of records to be added to Royal BC Museum collections management system annually, in thousands (K)	19.7	25	2.4
2.2c Number of bankers boxes of government records to be processed annually, in thousands (K)	2.5	2.5	2.5
2.2.d Reach of digital programs	N/A ²	4,000	5,319

Data sources: 2.1a: Royal BC Museum Indigenous Collections and Repatriation department records. 2.2a, 2.2b. 2.2c. 2.2d: Royal BC Museum

PM 2.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 100 per cent and 100 per cent, respectively.

PM 2.2a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 7,000 and 7,000, respectively. 8,893 images were added the AtoM system.

PM 2.2b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 7,000 and 7,000, respectively.

PM 2.2c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 25,000 and 25,000, respectively.

PM 2.2d targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 4,000 and 4,000, respectively.

¹PM 2.1a was revised in the 2023/24 – 2025/26 Service Plan.

²PM 2.2d was revised in the 2023/24 Service Plan to number of programs delivered digitally.

2.1a – This performance measure directly corresponds with the objective of repatriating belongings to Indigenous communities. In 2023/24 the target was reached to action all known requests for information/repatriation. Repatriation is a community-led process which can be very complex and the length of time it takes can vary greatly depending on a variety of factors, including community readiness and/or timing considerations, access to federal and capital funding, complex engineering considerations, conservation requirements and more. Conversations and initial requests are the starting point to lay the groundwork for successful repatriation. The measure includes:

- Research/Active Requests: Research requests submitted by communities as part of an initial repatriation inquiry or as part of early stages of repatriation where a formal request without a list of repatriatable belongings has been submitted.
- Repatriation Request: Formal letters submitted by Nations/communities to the Museum requesting return of belongings.
- Complete/Pending Repatriations: Complete is defined by the physical return of belongings, pending is repatriations that are in the process of being returned.

2.2a – In 2023/24, BC Archives digitized and uploaded 8,893 images. This number included general requests, photographs and museum requests uploaded to the system Access to Memory (AtoM), which is an open-source archival descriptive system. Sixty-four thousand nine hundred and seventy-three images were also added to the Vital Statistics/Genealogy database in addition to the measurement in the chart above.

2.2b – This performance measure indicates the Royal BC Museum’s progress in digitizing BC Archives collections (photographs, digital files and PDFs of textual records). In 2023/24 the Museum migrated to an improved online collections management database. Unfortunately, the effort needed to complete the migration resulted in fewer new records being added to the collections management system than was originally targeted. However, the migration provided an opportunity to implement modifications to 11,043 existing records which improved data attached to the existing collections record and enhancing search functionalities for all.

2.2c – The number of bankers boxes (traditional legal size cardboard boxes of a consistent size) of government records processed met the target.

2.2d – The reach of digital programs exceeded the target set in this fiscal. Popular programs included four specialized livestreams hosted by the Royal BC Museum collections team members, which together accounted for over 2,443 views.

Goal 3: The Museum is financially responsible.

Objective 3.1: Generate revenue from operations.

In 2023/24, the Museum’s key revenue driver was hosting four on-site exhibitions: Wildlife Photographer of the Year, Angkor: The Lost Empire of Cambodia, Dinosaurs of BC, SUE: The T-rex Experience and Sacred Journey. The Royal BC Museum also increased its operational funding by diversifying and increasing its streams of self-generated revenue.

Key results

- The Museum hosted four diverse and critically acclaimed visiting exhibitions, one travelling exhibition developed in-house, and reopened Old Town, New Approach to deliver a high-value visitor experience.

- Launched the Combo Pass; a combined Museum and IMAX® Victoria membership program with 2,600 memberships sold, generating \$300,000 in revenue during the first four months of sales.
- Delivered an attractive schedule of Hollywood film screenings appealing to diverse audiences including Top Gun: Maverick, and Mission Impossible: Dead Reckoning.
- Hosted a series of successful community events to draw foot traffic to site including Fungi Fest, WinterFest and two Indigenous Artists' Markets.
- A Director of Sponsorships, Membership and Events was hired to diversify funding opportunities.

Summary of progress made in 2023/24

The Museum made significant progress in welcoming back visitors in 2023/24 with more visiting exhibitions hosted than ever before.

Building resources and expanding offerings to attract new audiences was a key priority, as was communicating the work underway at the Museum to highlight philanthropic and sponsorship opportunities.

Performance Measures	2022/23 Actual	2023/24 Target	2023/24 Actual
3.1a Revenue from operations, in millions (\$M)	3.72	13.013	11.200
3.1b Number of visitors to Royal BC Museum physical site (including BC Archives and IMAX® Victoria), in millions (M)	N/A	0.86	0.59
3.1c Number of visitors to Royal BC Museum website (including IMAX® Victoria, BC Archives and Learning Portal), in millions (M)	N/A	13.7	10.9

Data sources: 3.1a: Royal BC Museum financial reporting systems. 3.1b: Royal BC Museum financial reporting systems and BC Archives statistics. 3.1c: The Royal BC Museum collects web statistics through Google Analytics, which allows for detailed tracking of user behaviour and traffic volume across all web assets. Data is tightly controlled and reliable.

PM 3.1a targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 13,013 and 14,204, respectively.

PM 3.1b targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 880,000 and 890,000, respectively. In 2022/23 this measure was not gathered due to assumptions of the museum not being open and offering alternative options to visitors.

PM 3.1c targets for 2024/25 and 2025/26 were stated in the 2023/24 service plan as 14 million and 14.8 million, respectively. In 2022/23 this measure was reported as total visitors to website, in millions (M) (does not include Learning Portal or IMAX® Victoria website).

3.1a and 3.1b – Revenue and visitor actuals were significantly below target. Targets set were based upon past exhibition years when all permanent galleries at the Museum were open. The number of visitors was lower than expected due, in part, to a softening in tourism mid-year.

3.1c – This performance measure was below the target due to several factors. Some older websites have been decommissioned to allow for new growth and re-alignment with

community engagement programming. Their visitor traffic is no longer included. Google Analytics performed an industry-wide upgrade, moving from their Universal version to Google Analytics 4 (GA4). This changed what is counted as a visit, due to GA4 being more stringent. During the upgrade, a filter was applied to remove internal staff traffic from the total. These two factors have further reduced the total but provided a more accurate visitor volume moving forward.

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

In 2023/24, Royal BC Museum revenues from admissions were below target. This reflected a number of factors including, inflationary pressures which impacted consumer spending. Actual expenses also exceeded budget. Pressures included significant increases in maintenance operations costs, staffing and recruitment costs to fill a sizeable number of vacancies and increased software and exhibit licensing costs. Despite this, the Royal BC Museum closed the 2023/24 fiscal year with an operating surplus of \$1.594 million. This was due to supplemental Provincial funding to support museum operations.

Financial Summary

(\$000s)	2022/23 Actual	2023/24 Budget	2023/24 Actual	2023/24 Variance
Revenues				
Contributions from Province	12,391	12,721	12,940 ²	219
Recoveries from Province	6,738	4,096	11,808	7,712
Museum and IMAX admission fees	3,719	10,118	7,722	(2,396)
Other Income & Recoveries	3,239	2,895	3,644	749
Total Revenue	26,087	29,830	36,114	6,284
Expenses				
Salaries and benefits	13,342	15,413	16,017	604
Building	2,748	2,724	3,269	545
Grant - in lieu of taxes	785	832	840	8
Security	930	1,106	1,111	5
Amortization	1,146	1,298	1,243	(55)
ARO Accretion	688	0	614	614
Special Exhibitions	243	2,146	2,290	144
Other Operating Costs	11,258	7,812	9,136	1,324
Total Expenses	31,140	31,331	34,520	3,189
Annual Surplus (Deficit)	(5,053)	(1,500)	1,594	3,095
Total Liabilities	49,900		98,597	
Capital Expenditures	14,748	79,258	47,868	(31,390)
Accumulated Surplus	17,532	21,505	19,125	(2,380)

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

² Provincial operating contribution increased by \$0.219 million to \$12.940 million to fund wage increases for unionized staff effective April 1, 2023, as part of the Shared Recovery Mandate.

Variance and Trend Analysis

Revenue

Provincial Operating Contribution

The Provincial operating contribution increased by \$0.219 million to \$12.940 million to fund wage increases effective April 1, 2023. Additional provincial contributions for projects are included in Other Provincial funding.

Other Provincial Funding

Other Provincial Funding was \$8.1 million greater than budget due to funding needs for PARC Campus building project, as well as additional funding to continue supporting Museum operations as its revenues recover from reduced visitation levels in recent years.

Museum and IMAX Admission Fees

Museum and IMAX admission fees were lower than budget due to weaker than anticipated attendance. Admission fee revenues were \$3.3 million under forecasted budget.

Other Income

Other income includes grants and sponsorships, property leases, programs, services and miscellaneous income, amortization of deferred capital contributions as well as donated collections and artifacts. Other income was \$0.2 million under forecasted budget due to receiving fewer grants and sponsorships.

Expenses

Salaries and Benefits

Salaries and benefits were \$0.6 million higher than budget due to filling positions that had previously remained vacant, as well as temporary staffing to assist with the preparation and packing of the collections ready for the move to PARC Campus.

Building

Building costs are \$0.5 million higher than budget, due to higher costs for utilities, janitorial and general building maintenance.

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, partially offset by incremental funding from the Province.

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 the Museum’s role. To effectively manage the variable and unpredictable nature of the revenue and philanthropic contributions, the Museum is working to diversify and increase revenue streams and is exploring ways to engage donors, as well as the private sector. These revenue streams take time to develop and require both human and financial resources. The Museum continues to develop strategies to manage expenditures while maximizing programs in order to meet the Museum’s mandate in the most cost-effective manner.

The largest financial risk in the budget relates to admission revenues, which accounts for 35 per cent of the Museum’s total revenues. Admission revenues could be impacted by:

- Fluctuations in tourism levels.
- Unforeseen building and/or gallery repairs that could impact visitation.

Capital Expenditures

Major Capital Projects (over \$50 million in total)	Targeted Year of Completion	Project Cost to Mar 31, 2024 (\$m)	Estimated Cost to Complete (\$m)	Anticipated Total Cost (\$m)
PARC Campus (Formerly Collections Research and Building Project)	2026	74	196	270
<p>Objective: To protect and increase public access to the provincial collections.</p> <p>Costs: \$270M</p> <p>Benefits:</p> <ul style="list-style-type: none"> • PARC Campus will store and protect the collections, and archives; • Provide research areas and laboratories; and • Support public access to more of the provincial collections. <p>Risks:</p> <ul style="list-style-type: none"> • Construction market conditions, including supply chain and labour pressures, may impact timeline. 				

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<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 a series of events held for National Day of Truth and Reconciliation in 2023. • Mandatory B.C. specific Indigenous cultural training introduced and implemented. • 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 and implemented Phase 1 and 2 of a broad scale provincial community engagement. • Increased provincial learning opportunities in communities and continued digital offerings. • Travelling exhibitions were presented in: Port Moody, Duncan, Courtney, Port Alberni, Surrey, Vancouver, Kitimat, Hudson’s Hope, Greater Victoria, Revelstoke, Whistler, Fort St. John, Kelowna, Trail, Smithers, North Cowichan, Sooke, Williams Lake, Fort Nelson, Vernon, Langley, Agassiz and Smithers.

2021/22 Mandate Letter Priority	Status as of March 31, 2024
<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 slate of exhibitions and IMAX® Victoria 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"> Continued progress on PARC Campus. Developed a framework and implemented Phase 1 and 2 of a broad scale provincial community engagement.
<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"> An EDIA strategy is under development. Culturally safe and engaging activities are occurring, for example Hive Mindz.
<p>Respond to COVID-19.</p>	<p>Status: Complete</p> <ul style="list-style-type: none"> Attractive exhibition, films and programs to welcome visitors to the Museum.

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Continue to work closely with the Ministry of Tourism, Arts, Culture and Sport, partners, and communities to advance reconciliation and support repatriation of cultural belongings and ancestral remains to Indigenous communities in British Columbia through:</p> <ul style="list-style-type: none"> • Resetting the relationship between the Royal BC Museum and Indigenous Peoples in B.C.; • Proactively and collaboratively working with communities to support repatriation and improving access to the residential school records in the BC Archives; and • Supporting the development of a provincial repatriation policy framework. 	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Mandatory B.C. specific Indigenous cultural training introduced and implemented. • 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.

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Increase the Royal BC Museum’s presence across the province and prioritize making the Museum and BC Archives’ collections and records more accessible to all British Columbians by:</p> <ul style="list-style-type: none"> • Ensuring appropriate capacity and joint Ministry of Tourism, Arts, Culture and Sport decision making to advance the design and building of the Collections and Research Building in Colwood; and • Advancing partnerships with existing and emerging cultural organizations such as the Chinese Canadian Museum and the South Asian Museum to make collections more accessible to the public, support cultural sovereignty, and expand public engagement. 	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Continued digitization of collections and records. • Developed a framework and implemented Phase 1 and 2 of broad scale provincial community engagement. • Increased provincial learning opportunities in communities and continued digital offerings. • Continued to advance PARC Campus (formerly the Collections and Research Building) and associated projects. • Travelling exhibitions were presented in: Port Moody, Duncan, Courtney, Port Alberni, Surrey, Vancouver, Kitimat, Hudson’s Hope, Greater Victoria, Revelstoke, Whistler, Fort St. John, Kelowna, Trail, Smithers, North Cowichan, Sooke, Williams Lake, Fort Nelson, Vernon, Langley, Agassiz and Smithers. • Reached an agreement to host Odysseys and Migration exhibition from the Chinese Canadian Museum in 2025.

2023 Mandate Letter Priority	Status as of March 31, 2024
<p>Deliver relevant, sustainable, and engaging exhibitions and programs reflective of British Columbia and contemporary museum and cultural practice, including financially responsible and sustainable operations through:</p> <ul style="list-style-type: none"> • Maximizing unique visitor experiences, both onsite and online, by continuing to offer relevant and engaging exhibitions, programs, and services; and • Increasing revenues from exhibitions, programming, services, and commercial opportunities to support operations and return to a balanced budget. 	<p>Status: Ongoing</p> <ul style="list-style-type: none"> • Continued through a diverse slate of exhibitions and IMAX® Victoria film schedule and learning initiatives. • Continued work to reopen the third floor galleries.
<p>Advance work to support a modern, accessible, and inclusive Museum through:</p> <ul style="list-style-type: none"> • Continuing the work with the Ministry of Tourism, Arts, Culture and Sport to engage in a robust consultation with Indigenous communities, British Columbians, and stakeholders to inform next steps in the Museum’s future; and • Continuing the work required for cultural transformation within the Museum and archives, including embedding equity, diversity, and inclusion in all policies, practices, procedures, and programming. 	<p>Status: Underway</p> <ul style="list-style-type: none"> • Developed and implemented Phase 1 and 2 of community engagement. • Culturally safe and engaging activities are occurring, for example Hive Mindz.

Appendix B: Auditor's Report and Audited Financial Statements

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2024

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
MANAGEMENT'S REPORT

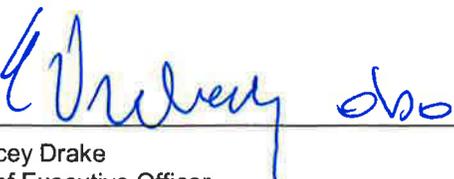
The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with the financial reporting framework disclosed in Note 2, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for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



Tracey Drake
Chief Executive Officer



Wayne Powell
Executive Financial Officer and
VP Corporate Finance

Victoria, British Columbia
June 27, 2024



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”, which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, change 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, 2024, and the results of its operations, change in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Canadian public sector accounting standards, 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

Draft Independent Auditor's Report

Royal British Columbia Museum Corporation

meet the definition of a liability, and as such the entity's method of accounting for those contributions represents a departure from Canadian public sector accounting standards.

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, 2024 would have been lower by \$67.6 million, revenue, annual surplus and accumulated surplus would have been higher by \$67.6 million and net debt would have been lower by \$67.6 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 Canadian public sector accounting standards.

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 \$17.4 million, an understatement of liabilities of \$0.1 million, an understatement of accumulated surplus of \$17.1 million, an understatement of revenues of \$1.5 million, an understatement of expenses of \$1.3 million and an understatement of annual surplus of \$0.2 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.

Independent Auditor's Report

Royal British Columbia Museum Corporation

As described in the Basis for Qualified Opinion section above, the entity has inappropriately deferred certain amounts 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 Canadian public sector accounting standards.

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 Canadian public sector accounting standards, 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.

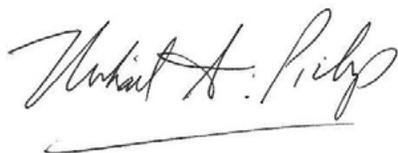
Independent Auditor's Report

Royal British Columbia Museum Corporation

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

Victoria, British Columbia, Canada
June 28, 2024

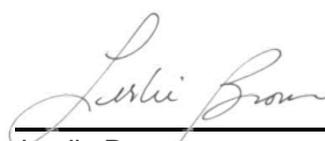
ROYAL BC MUSEUM CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Notes	2024	2023
Financial Assets			
Cash and cash equivalents	3	\$ 2,942,414	\$ 4,580,529
Accounts receivable	5	10,984,778	5,803,592
Inventory	2 (e)	48,882	43,296
		13,976,074	10,427,417
Financial Liabilities			
Accounts payable and accrued liabilities	6	19,618,301	14,500,665
Leave liability	2(d)	583,540	471,230
Asset retirement obligation	2(n), 22	9,558,087	8,944,435
Deferred revenue	2(f), 7	1,272,435	1,240,287
Deferred capital contributions	2(g), 8	67,564,340	24,743,351
		98,596,703	49,899,969
Net Financial Debt		(84,620,630)	(39,472,552)
Non-Financial Assets			
Tangible capital assets	2(h), 10	102,881,216	56,255,764
Prepaid expenses	2(i)	864,555	748,394
		103,745,771	57,004,158
Accumulated Surplus		19,125,141	17,531,606

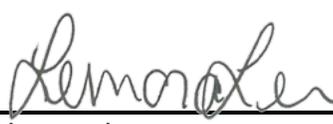
Contractual Obligations (Note 14)

Subsequent Events (Note 23)

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, 2024

	Notes	2024 Budget (Note 17)	2024	2023
Revenues				
Provincial operating contributions		\$ 12,721,000	\$ 12,940,000	\$ 12,391,000
Provincial contributions for other purposes		3,660,000	11,807,896	6,738,387
Museum admission fees and memberships		7,600,000	5,223,245	1,704,698
IMAX admission fees and annual passes		3,444,600	2,498,804	2,014,411
Grants and sponsorships		225,000	12,500	97,935
Contributions from RBCM Foundation	13	411,351	147,614	546,636
Property leases		280,607	181,076	142,351
Programs, services and miscellaneous		2,052,178	2,371,442	1,800,832
Amortization of deferred capital contributions	8	860,000	775,871	603,805
Donated collections and artifacts		-	155,483	46,700
Total Revenues		31,254,736	36,113,931	26,086,755
Expenses				
Salaries and benefits		15,412,949	16,016,975	13,341,721
Building costs		2,724,319	3,269,456	2,747,585
Amortization		1,298,000	1,242,660	1,145,545
Accretion		-	613,652	688,033
Security		1,106,152	1,110,507	930,020
Taxes, City of Victoria		832,000	840,200	784,522
Special exhibitions	9	2,145,600	2,289,833	242,613
Systems and telecommunications		1,180,051	1,336,289	950,053
Professional services		714,110	1,543,833	4,685,989
Materials and supplies		2,327,110	1,321,859	1,211,253
Cost of goods sold		1,424,195	1,063,864	898,791
Offsite storage		1,492,844	1,481,183	1,352,978
Marketing and communications		697,384	398,070	631,578
Office and business		303,987	587,710	423,340
Insurance		553,500	579,655	426,521
Travel		165,625	357,031	323,652
Bank charges		250,000	172,877	101,157
Collections and artifacts		-	155,483	46,700
Other		126,910	139,259	208,302
		32,754,736	34,520,397	31,140,353
Annual Operating Surplus/(Deficit)		(1,500,000)	1,593,534	(5,053,598)
Accumulated Surplus, beginning of year			17,531,606	20,586,918
Adjustments				
IMAX adjustment			-	1,998,286
Accumulated Surplus, end of year	12		\$ 19,125,141	\$ 17,531,606

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2024

	2024 Budget	2024	2023
Annual Operating Surplus	\$ (1,500,000)	\$ 1,593,534	\$ (5,053,598)
Acquisition of tangible capital assets	-	(47,868,112)	(14,747,880)
Deferred Capital Contribution Adjustment	-	-	685,113
Amortization of tangible capital assets	1,298,000	1,242,660	1,145,545
	(202,000)	(45,031,918)	(17,970,820)
Acquisition of prepaid expense	-	(1,628,767)	(1,614,161)
Use of prepaid expense	-	1,512,607	1,118,129
	-	(116,160)	(496,032)
Write-down of other assets	-	-	-
	-	-	-
(Increase) decrease in net debt	(202,000)	(45,148,079)	(18,466,852)
Net debt, beginning of year	(39,472,551)	(39,472,551)	(21,005,699)
Net debt, end of year	(39,674,551)	(84,620,630)	(39,472,551)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual Operating Surplus (Deficit)	\$ 1,593,534	\$ (5,053,598)
Items not affecting cash:		
Write off of other assets	-	-
Amortization	1,242,660	1,145,545
Accretion	613,652	688,033
Amortization of deferred capital contributions	(775,871)	(603,805)
Write-down of tangible capital assets	-	-
Changes in operating working capital:		
Accounts receivable	(5,181,186)	(3,343,902)
Inventory	(5,586)	32,629
Prepaid expenses	(116,159)	(496,032)
Accounts payable and accrued liabilities	5,117,637	3,740,051
Leave liability	112,310	10,733
Deferred revenue	32,148	(48,576)
Cash provided by or (used in) operating activities	2,633,136	(3,928,922)
CAPITAL ACTIVITIES		
Cash used to purchase tangible capital assets	(47,868,112)	(14,747,880)
Cash received for the acquisition of tangible capital assets (excluding land)	43,596,860	11,077,406
Cash from (used for) investing activities	(4,271,252)	(3,670,474)
Increase (decrease) in cash and cash equivalents	(1,638,115)	(7,599,396)
Cash and cash equivalents, beginning of year	4,580,529	12,179,926
Cash and cash equivalents, end of year	2,942,414	4,580,529

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

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: 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, 2024

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, 2024**

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, 2024

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.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

2. Significant accounting policies (continued):

(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;
- 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, 2024

3. Cash and Cash Equivalents

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

	2024	2023
Cash	\$ 2,911,914	\$ 4,548,529
Cash equivalents	30,500	32,000
Total Cash and Cash Equivalents	\$ 2,942,414	\$ 4,580,529

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:

	2024	2023
	Increase/ (Decrease)	Increase/ (Decrease)
Statement of Financial Position		
Deferred capital contributions	\$ 67,564,340	\$ 24,743,351
Deferred revenue	63,764	413,461
Accumulated surplus	\$ 67,628,104	\$ 25,156,812
Statement of Operations and Accumulated Surplus		
Amortization of deferred capital contributions	\$ (775,871)	\$ (603,805)
Annual operating (surplus) deficit	\$ (775,871)	\$ (603,805)

5. Accounts Receivable

	Balance at March 31, 2024	Balance at March 31, 2023
Provincial	\$ 10,565,460	\$ 5,151,081
Federal	365,738	214,063
Other	53,580	438,448
Total	\$ 10,984,778	\$ 5,803,592

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

6. Accounts Payable and Accrued Liabilities

	2024	2023
Provincial Government	\$ 13,787,557	\$ 10,990,223
Federal Government	-	-
Other	5,830,744	3,510,442
Total	\$ 19,618,301	\$ 14,500,665

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, 2023	Additions/ Adjustments	Recognized to revenue	Balance at March 31, 2024
<i>Restricted funds</i>				
Provincial	\$ 413,461	\$ 12,590,303	\$ (12,940,000)	\$ 63,764
Federal	143,033	3,194	-	146,227
Other	37,738	266	-	38,004
<i>Unrestricted</i>				
Other	646,055	2,105,667	(1,727,282)	1,024,441
Total	\$ 1,240,287	\$ 14,699,430	\$ (14,667,282)	\$ 1,272,435

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, 2023	Additions/ Transfers	Amortized	Balance at March 31, 2024
Provincial government	\$ 22,222,752	\$ 43,596,860	\$ 564,655	\$ 65,254,957
Federal government	1,942,507	-	148,177	1,794,330
Other	578,093	-	63,039	515,054
Total	\$ 24,743,351	\$ 43,596,860	\$ 775,871	\$ 67,564,340

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

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 the fiscal year 2024 Angkor Wat was hosted from April through to January 14. Wildlife Photographer is being hosted from March 1, 2024, through to June 2, 2024. Other costs include expenses associated with exhibits opening in the Spring and Summer 2024.

	2024	2023
Salaries and benefits	\$ -	\$ -
Professional services contracts	22,737	24,265
Marketing and communications	308,878	87,639
Materials and supplies	1,575,373	118,929
Other	382,845	11,781
Total	\$ 2,289,833	\$ 242,613

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

10 Tangible Capital Assets
a. Fiscal 2023/24

Cost	Balance at March 31, 2023	Additions	Balance at March 31, 2024
Land	\$ 27,613,832	\$ -	\$ 27,613,832
Permanent exhibitions	1,143,161	992,997	2,136,158
Operating equipment	2,539,702	22,938	2,562,640
Hardware and software	4,878,898	1,303,758	6,182,656
Furniture	31,340	-	31,340
Buildings and improvements	36,887,905	45,548,420	82,436,325
Asset retirement obligation	3,049,355	-	3,049,355
Total	\$ 76,144,194	\$ 47,868,112	\$ 124,012,307

Accumulated Amortization	Balance at March 31, 2023	Amortization	Balance at March 31, 2024
Land	\$ -	\$ -	\$ -
Permanent exhibitions	1,110,407	-	1,110,407
Operating equipment	1,144,437	211,250	1,355,687
Hardware and software	3,612,202	305,159	3,917,361
Furniture	31,340	-	31,340
Buildings and improvements	10,940,689	726,251	11,666,940
Asset retirement obligation	3,049,355	-	3,049,355
Total	\$ 19,888,431	\$ 1,242,660	\$ 21,131,091

Net Book Value	Balance at March 31, 2023	Balance at March 31, 2024
Land	\$ 27,613,832	\$ 27,613,832
Permanent exhibitions	32,755	1,025,751
Operating equipment	1,395,266	1,206,953
Hardware and software	1,266,695	2,265,295
Furniture	-	-
Buildings and improvements	25,947,216	70,769,385
Asset retirement obligation	-	-
Total	\$ 56,255,764	\$ 102,881,216

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024**

Tangible Capital Assets (Continued)

At March 31, 2024 the capital projects in progress include:

Land under development	15,103,692
Permanent exhibitions	1,025,751
Hardware and software	1,242,245
Buildings and improvements	61,148,734
Total capital projects not placed into use	<u>78,520,422</u>

Work in progress at March 31, 2024 includes \$60.8 million for the Provincial Archives, Research and Collections (PARC) Campus 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.

For more information on asset retirement obligations see note 22.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

10. Tangible Capital Assets (Continued)
b. Fiscal 2022/23

Cost	Balance at March 31, 2022	Adjustments	Additions	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	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, 2024**

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

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 2024 fiscal year, the Corporation de-accessioned 19 batches (2023: 26) and accessioned 132 batches (2023: 158) to its collections through the acquisition, purchase and accessioning process. The collections are valued at \$190 million for insurance purposes.

12 Accumulated Surplus

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

	Balance at March 31, 2023	Additions	Uses	Balance at March 31, 2024
Unappropriated operating surplus (deficit) and investment in capital assets	\$ 20,623,948	1,593,534		\$ 22,217,482
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 surplus	\$ 17,531,606	1,593,534	-	\$ 19,125,140

Certain amounts are set aside in accumulated operating surplus for future financial obligations and the purchase of capital assets. The operating surplus of \$1,593,534 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, 2024**

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 \$8,521,410 (2023 - \$7,978,514), 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:

		2024		2023
Funding for non-capital projects	\$	147,614	\$	546,636
Purchases of goods and services		10,455		48,524
Total	\$	158,069	\$	595,160

As at March 31, 2024 \$1,123 is due from the Foundation to the Corporation and is included in the accounts receivable (2023: \$289,248)

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

		2024		2023
Purchases of goods and services		2,679		5,418
Total	\$	2,679	\$	5,418

As at March 31, 2024 \$0 is due from the Corporation to the Foundation and is included in the accounts payable (2023: \$179)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
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14 Contractual Obligations (by Fiscal Year)

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. The previous extension expired October 31, 2023. The Corporation extended the contract by one more year to October 31, 2024.

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

2025	351,203
Total	\$ 351,203

Security Contract

In April 2024 the Corporation signed a 5 year service agreement for the provision of security services expiring March 31, 2029, with option for additional five one-year options to renew. Under the terms of the agreement, the Corporation will pay annual fees as follows:

2025	\$ 1,289,664
2026	1,332,474
2027	1,372,448
2028	1,413,621
2029	1,456,030
Total	\$ 6,864,237

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:

2025	\$ 740,839
2026	559,813
2027	531,661
2028	486,564
2029	491,243
2030	491,243
2031	81,874
Total	\$ 3,383,235

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2031. These costs amounted to \$71,955.79 in fiscal year 2024.

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)

Property Management Contract

On February 1, 2024, the Corporation entered into a 5-year service agreement for the provision of property management services to expire February 1, 2029, with option for additional two one-year options to renew. Under the terms of the agreement, the Corporation will pay a fixed fee. The maximum future payments are as follows:

2025	\$ 285,567
2026	296,498
2027	305,393
2028	314,555
2029	268,650
Total	\$ 1,470,664

In addition, the Corporation will be invoiced at cost for property management consumables (approximately \$70,000 for 2024).

Exhibition loan fees

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

2025	\$ 1,380,000
Total	\$ 1,380,000

Provincial Archives, Research and Collection (PARC) Campus 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 PARC Campus 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:

2025	\$ 92,503,861
2026	68,710,194
Total	\$ 161,214,054

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 150,000 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, 2023, indicated a funding surplus of \$4.5 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, 2024**

16 Related Party Transactions

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

17 Budget Figures

Budget figures have been provided for comparative purposes and are from the Corporation's Fiscal 2023/2024 Budget approved by the Royal BC Museum Corporation Board of Directors on December 8, 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 non-provincial 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, 2024**

21 Economic Dependence

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

22 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.

In the current year a further projected cost escalation to March 31,2024 was recognized of \$613,652. (2023: 688,033)

The following table provides details of the ARO liability in fiscal 2023/24:

	2023	2024
Opening balance - ARO liability	\$ 8,256,402	\$ 8,944,435
Accretion expense	688,033	613,652
Closing balance - ARO liability	\$ 8,944,435	\$ 9,558,087