

**Royal BC Museum**

**2020/21**  
**Annual Service Plan Report**



For more information on the Royal BC Museum contact:

675 Belleville Street, Victoria B.C. V8W 9W2

250 356-7226

Or visit our website at

[royalbcmuseum.bc.ca](http://royalbcmuseum.bc.ca)

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## Board Chair's Accountability Statement



The *Royal BC Museum 2020/21 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2020/21 – 2022/23 Service Plan* created in February 2020.

I am accountable for those results as reported.

A handwritten signature in blue ink that reads "Daniel Muzyka". The signature is fluid and cursive, written over a light blue horizontal line.

Dr. Daniel F. Muzyka

Board Chair

July 26, 2021

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## Letter from the Board Chair

The Royal BC Museum (Museum) advances knowledge about British Columbia through its collections, exhibitions, presentations, expertise and partnerships. In 2020/21, the Museum also focused efforts on the strategic priority actions contained in the 2020/21 Mandate Letter. This direction included making life more affordable for families and businesses; delivering the services that people count on; building a strong, sustainable, innovative economy that works for everyone; and incorporating the [United Nations Declaration on the Rights of Indigenous Peoples \(UNDRIP\)](#) and the [Calls to Action of the Truth and Reconciliation Commission](#) into its work.

In 2020/21, the Museum alleviated financial setbacks caused by the COVID-19 pandemic by adding exhibitions and quickly pivoting from in-person to online learning programs and events. The most significant factor in the Museum's performance in 2020/21 was managing the repercussions of the COVID-19 pandemic—chiefly the closure from March 17- June 19, 2020, and the subsequent phased and limited re-opening, of the site to the public and staff.

The Museum employed a number of protocols and mechanisms to facilitate strategic, proactive engagement with the Ministry of Tourism, Arts, Culture and Sport in 2020/21. These included quarterly meetings of the Minister and the Museum's Chair of the Board of Directors, and monthly meetings between the Deputy Minister and the Museum's CEO, to discuss strategic priorities, performance measures and emerging opportunities. Additionally, the CEO, Executive, Department Heads and all staff met regularly to ensure their day-to-day activities were aligned with the corporate strategy.

Over the past year, the Museum has continued working with the Province of B.C. to develop options in support of the [Museum Modernization](#) initiative, including the announcement of the site for the new Collections and Research Building in Colwood and the purchase of IMAX Victoria.

The Museum continued to refine its approach to the orientation and professional development in 2020/21, providing comprehensive orientation and training for Board members, executive and staff. Equity, diversity, inclusion and accessibility training became a priority for the Museum in 2020/21.

The Museum provided value to citizens well beyond its doors, contributing to government's education curriculum and tourism-sector trade efforts, as well as implementing initiatives to address recommendations of the *Final Report of the Truth and Reconciliation Commission of Canada*.

The Royal BC Museum demonstrated respect for B.C. citizens by providing exceptional, cost-effective museum and archives services.

Dr. Daniel F. Muzyka



Board Chair, Royal BC Museum

July 26, 2021

## **Purpose of the Annual Service Plan Report**

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

## **Purpose of the Organization**

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

In 2020, the Royal BC Museum celebrated 134 years as preserver and steward of the histories of British Columbia and its peoples. The Museum also has a role in generating tourism-related jobs, supporting the development of K-12 curriculum; acting as the provincial repository for significant fossil finds in B.C.; facilitating repatriation requests for Indigenous cultural belongings and providing educational resources on repatriation best practices; and publishing best-selling works of non-fiction.

## **Strategic Direction**

The strategic direction set by Government in 2017, and expanded upon in the Board Chair's [2020 Mandate Letter](#) from the Minister Responsible, shaped the goals, objectives, performance measures and financial plan outlined in the [2020/21 Royal BC Museum Service Plan](#) and actual results reported on in this annual report.

The global COVID-19 pandemic resulted in many shifts in priorities, structures and operations across the public sector. Any changes to the Royal BC Museum's goals, objectives, performance measures or financial plan to align with the strategic direction established by Government in late 2020 are presented in the 2021/22 Service Plan.

## **Operating Environment**

Over the past decade the Province has provided a stable operating grant while approximately 50 per cent of the Royal BC Museum's operational budget is funded by admissions revenue, philanthropic contributions, rentals and other service revenue streams. Uncertainty about visitor numbers and their discretionary spending makes annual financial planning challenging. For this reason, the Museum continues to seek ways to diversify and increase revenue sources, including hosting exhibitions that appeal to a wide audience. Generally, exhibitions take several years to

develop or procure, making it challenging to plan for sudden changes in the global economy or tourism market.

In 2020/21, the COVID-19 pandemic was a dominant factor in the Royal BC Museum's operating environment. The tourism industry is a key driver of economic success across B.C. In 2020/21, the Museum was unable to meet revenue projections. This was a result of the closure of the Museum starting March 17, 2020, followed by a reopening with significant limits on visitor numbers on June 19, 2020; and international, domestic, and inter-regional travel bans in B.C., all due to the global pandemic.

In 2020/21, the Museum pivoted nimbly in response to the pandemic, quickly enhancing its digital programs by developing new content for new online audiences. Safety was a fundamental concern and had an impact on operations across the organization. Before re-opening the site to the public, the Museum implemented robust and comprehensive safety protocols to keep staff and visitors as safe as possible.

However, the economic repercussions of the pandemic were considerable. The planned launch of the feature exhibition *Orcas: Our Shared Future* was delayed until April 2021. Visitation numbers were significantly reduced to 50 people (maximum) per floor, to help ensure adequate spacing between visitors. The Museum purchased IMAX Victoria on August 28, 2020 and operated the theatre on significantly reduced capacity for two and a half months. Following the direction of B.C. public health authorities, IMAX Victoria was closed on Nov 23, 2020. Cumulatively, the results were limited visitation numbers, increased operational costs, and a decline in operational revenue.

Ongoing key financial and operational challenges include the costs of repairing aging infrastructure and the associated risks to collections, as well as the costs for digitization and storage. A stable annual grant of \$11.866 million dollars from the Province contributes to the Royal BC Museum's ability to fulfill its legislated mandate. This includes assigning funds to maintenance expenditures, and other operational activities, including the preservation, care and acquisition of collections, portions of the development of new exhibitions and some educational programs.

In addition, due to the unique nature of the operation and complexity of the precinct, the Royal BC Museum is subject to significant financial pressures from the effects of increasing costs of human resources, utilities, depreciated infrastructure and property taxes and services.

## Report on Performance: Goals, Objectives, Measures and Targets

### Goal 1: Increase our financial stability

This goal is about building income and securing long-term financial viability and flexibility for future investments in site development. Improving financial performance will allow for improvements to the Museum’s programming and infrastructure, thereby attracting more visitors to British Columbia and the museum and archives.

#### Objective 1.1: Generate revenue from operations

The Royal BC Museum will work to increase operational funding by diversifying and increasing streams of self-generated revenue.

#### Key Highlights

- Hosted a feature exhibition, [Emily Carr: Fresh Seeing – French Modernism and the West Coast](#), that drew local audiences.
- Developed a supplementary [virtual tour](#) to the [Emily Carr](#) feature exhibition that was offered on a pay-per-view basis.
- Continued to generate revenue through the [reproductions and licensing program](#).
- Pursued new sources of research funding: e.g., Natural Science and Engineering Research Council grant.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.1a Revenue from operations, in millions (M) <sup>1</sup>	\$12.0 M	\$8.8 M	\$3.1 M	\$9.1 M <sup>1</sup>	\$9.1 M <sup>1</sup>

Data source: Royal BC Museum financial reporting systems. Projections allow for necessary additional revenues to cover inflation.

<sup>1</sup> The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

### Discussion of Results

Revenue from operations includes all funding and revenues other than the provincial operating grant. The Royal BC Museum did not meet its 2020/21 target, primarily due to the Museum’s closure, from the start of the fiscal year until June 19, 2020, due to the COVID-19 pandemic. Upon re-opening to the public, the Museum radically scaled back visitation numbers, requiring timed tickets and a maximum of 50 visitors within each floor of the galleries at any one time as required by public health orders. The museum and archives also closed to the public on Wednesdays to allow for comprehensive cleaning of all public areas; and to reduce security and front of house staff costs.

Also due to the onset of the COVID-19 pandemic, the Museum delayed the feature exhibition [Orcas: Our Shared Future](#) until the 2021/22 fiscal year. A pivot in direction allowed the Museum to quickly secure the feature exhibition [Emily Carr: Fresh Seeing – French Modernism](#)



[and the West Coast](#) for three months (October 22, 2020–January 24, 2021), but travel restrictions and limits to Museum capacity (both related to COVID-19) had a negative impact on attendance.

Typically, the provincial school system’s summertime and spring breaks are busy revenue-generating periods at the Royal BC Museum, both due to high tourism numbers and local parents visiting with children; and day camps are fully subscribed. However, in 2020/21, the Museum cancelled all day-camp programs and, in the interest of health and safety, continued to restrict capacity to 50 people per floor of the Museum, even during the busiest times.

Additionally, all group bookings, venue rentals, events and festivals, and the travel trade wholesale programs were suspended pending new public health orders.

## **Objective 1.2: Leverage community support**

Recognizing that admissions sales alone cannot guarantee long-term financial stability, the Royal BC Museum will also continue fostering strategic connections and support from other resources: voluntary human capital, mutually beneficial relationships, coverage earned from the news media, and donations and grants.

One major contributing factor to meeting this objective is the museum and archives’ presence throughout the province. Activities such as travelling exhibitions, engagement with Indigenous communities, and fieldwork in remote locations amplifies the Royal BC Museum’s voice and relevance across B.C. and paves the way for media coverage, marketing partnerships, fundraising and future relationships.

## **Key Highlights**

- Launched a comprehensive community engagement program to develop relationships and programmatic strategy for the Museum Modernization project.
- Aggressively pursued opportunities to generate earned and in-kind media coverage.
- Launched the [COVID-19: Collecting for Our Time project](#), gathering pandemic stories from across B.C.
- Strengthened and grew relationships in communities throughout British Columbia through travelling exhibitions like *Our Living Languages; First Peoples’ Voices in BC* and by providing expertise to the BC Museums Association, the Archives Association of British Columbia and other related organizations.
- Supported government objectives (e.g. the Royal BC Museum is the official repository for material arising from the Fossil Management Framework, an initiative led by the Ministry of Forests, Lands, Natural Resource Operations & Rural Development).

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.2a Number of volunteer hours in thousands (K)	46.2 K	46.2 K	8.8 K	46.2 K <sup>3</sup>	46.2 K <sup>3</sup>
1.2b Value of media, both in-kind <sup>1</sup> and earned <sup>2</sup> , in millions (M)	in-kind: \$0.70 M earned: \$109.9 M	in-kind: \$0.84 M earned: \$6.2 M	in-kind: \$0.29 M earned: \$19.3 M	in-kind: \$0.84 M <sup>4</sup> earned: \$6.3 M <sup>4</sup>	in-kind: \$0.84 M earned: \$6.4 M <sup>4</sup>
1.2c Donations (cash & in-kind) and grants, in millions (M)	\$3.1 M	\$0.95 M	\$0.83 M	\$1.0 M <sup>5</sup>	\$1.0 M <sup>5</sup>

Data source: Royal BC Museum Volunteer, Marketing, Communications and Philanthropy records.

<sup>1</sup>In-kind media is negotiated and tied to paid advertising. The impact of COVID-19 on visitation numbers had a significant impact on the amount of funding available for advertising in 2020/21. See “Discussion of Results” for more.

<sup>2</sup>The Royal BC Museum relies upon a third-party media monitoring company to analyze and assign a dollar value to annual media coverage. While the company uses the same approach to analyze coverage year-to-year, the assignment of value changes as the company has improved its analysis, primarily for broadcast media. This makes forecasting value challenging.

<sup>3, 4, 5</sup>The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

## Discussion of Results

The Royal BC Museum did not meet its 2020/21 Target for the number of volunteer hours. The Museum’s closure to all but essential services staff started on March 17, 2020 and staff returned on rotational work schedules on June 19, 2020. To ensure the health and safety of its volunteers, the Museum paused the on-site volunteer program indefinitely. The Actuals reflect the number of hours volunteers spent assisting the Museum remotely, primarily on digital projects.

Media value—which is both the result of media relations coverage and leveraging of paid-for advertising—reflects public engagement with Royal BC Museum’s initiatives. “Earned” media value is based on the amount it would cost to purchase the equivalent space/time for a published press article/broadcast (no multipliers included). “In-kind” media refers to the value of all additional advertisements or advertorials negotiated with media for no cost. The ad equivalency formula is the readership of the publication (based on unique monthly visitors) times the potential viewership (assuming that not everyone on the site reads the article) times the average ad cost (a proprietary and constant value).

The Royal BC Museum did not meet its 2020/21 Target for in-kind media value due to three factors: an internal holdback for budget mitigation during the pandemic; the COVID-19 related closure of the Museum to the public until June 19, 2020; and the delayed launch of the [Orcas](#) exhibition. All three scenarios resulted in a reduced spend for planned advertising, which affected the corresponding in-kind support. In-kind media is negotiated as part of paid advertising contracts.

The Royal BC Museum exceeded its 2020/21 Target for earned media value. This was due to changes in how the third-party media monitoring company responsible for this data analyzes its results primarily for broadcast. The Royal BC Museum relies upon a media monitoring service to

capture, analyze and assign a dollar value to media coverage: this is the equivalent value of a purchased advertisement the same length as the story. As the media landscape continues to change, and as media monitoring services become better at tracking every story's digital footprint, so too does the way in which the company assigns value. These constant industry improvements to processes make it challenging to accurately forecast value.

The Museum generated significant earned media coverage in 2020/21 despite postponing the launch of the [Orcas: Our Shared Future](#) feature exhibition to 2021/22. Additionally, the Museum generated media coverage for major initiatives such as the Museum's modernization; the reopening to the public; the digitization and access of materials in the Indigenous collections; two feature exhibitions (reviews of [Emily Carr: Fresh Seeing](#) and pre-opening interest in [Orcas: Our Shared Future](#)); and critical coverage of Museum issues related to Equity, Diversity, Inclusion, and Accessibility. Finally, the third-party media monitoring company adjusted their algorithm, resulting in a rising average ad equivalency for television media coverage.

The Royal BC Museum did not meet its 2020/21 target for donations and grants due to COVID-19 impacts. This largely impacted the Museum's sponsorships and grant funds recognized and received this year.

## **Goal 2: Create dynamic and relevant visitor experiences**

Achieve exceptionally high levels of satisfaction from local, provincial and international visitors and users through temporary exhibitions, programs and events, digital content and publications.

### **Objective 2.1: Maintain on-site visitor volume numbers**

The annual number of paying visitors is a clear indication of the relevance of the Royal BC Museum, the strength of its brand and its attractiveness as a must-see travel destination, hub of immersive learning and originator of innovative special events.

As the provincial museum and archives of B.C., the Royal BC Museum is committed to creating experiences visitors would not find anywhere else in the world. This sets the museum and archives apart, enabling it to attract and engage more visitors.

### **Key Highlights**

- Developed a comprehensive COVID-19 plan and robust series of visitor-focused health and safety measures to help visitors feel safe and comfortable when visiting the Museum.
- Continued to provide world-class visitor experiences, in collaboration with stakeholders, by promoting feature and travelling exhibitions and museum sector partnerships, including the 2020/21 feature exhibition [Emily Carr: Fresh Seeing](#).
- Continued the museum and archives' partnership with research and cultural institutions on the [Landscapes of Injustice](#) project, funded by the [Social Sciences and Humanities Research Council](#).
- Acted as an essential resource for research and the sharing of knowledge about British Columbia, offering popular onsite services like genealogical research in the BC Archives; in 2020/21, the BC Archives maintained these services in a limited scope through online

access and digital requests during the Museum’s closure and with an appointment system and reduced onsite capacity upon reopening.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.1a Number of visitors to main site, in millions (M) <sup>1</sup>	0.72 M	0.75 M	0.11 M	0.75 M <sup>1</sup>	0.75 M <sup>1</sup>

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

<sup>1</sup>The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

## Discussion of Results

The Royal BC Museum did not meet its 2020/21 target for the number of visitors to the main site due to an unanticipated cessation in provincial, national and international tourism in 2020 caused by the COVID-19 pandemic. Combined with very limited capacity in the galleries, this had a significant negative impact on visitation numbers to the feature exhibition [Emily Carr: Fresh Seeing](#) and influenced the decision to postpone the feature exhibition [Orcas: Our Shared Future](#). Just as significantly, the Museum was closed to visitors for almost a quarter of the fiscal year, closing on March 17, 2020, and reopening in a limited fashion on June 19, 2020.

Currently, both ticketed and non-ticketed visitors to the Royal BC Museum and IMAX Victoria are counted automatically by entrance systems. Data is tightly controlled and reliable.

Non-ticketed visitors accounted for about nine per cent of the overall total in 2020/21.

## Objective 2.2: Maintain high visitor satisfaction levels

Visitor volume is important to the Royal BC Museum, indicating that the museum and archives is indeed creating dynamic, relevant experiences—but the real impact of the previous measurement is amplified when viewed in the context of outstanding levels of visitor satisfaction. Matching and exceeding the expectations of the museum and archives’ diverse audiences is a challenge; to meet this objective the museum and archives provides remarkable exhibitions, engaging learning experiences in its core galleries and thought-provoking programming centred on the histories of the peoples in B.C. from Indigenous peoples to modern immigrants.

The Royal BC Museum’s ongoing commitment to work closely and collaboratively with Indigenous communities in B.C. is a key contributor to this objective, as the perspective of Indigenous stakeholders is of paramount significance for the museum and archives.

The Royal BC Museum continues to work closely with Indigenous communities to advance repatriation by supporting Indigenous peoples seeking the return of ancestral remains and sacred belongings to their communities -there are currently 22 repatriations in process.

## Key Highlights

- Continued to address the Truth and Reconciliation Commission recommendations in the areas of: professional development and training for public servants (#57); education for

reconciliation (#62i); museums and archives (69.i, ii); and business and reconciliation (#92. i, ii, iii).

- Developed and featured two new Pocket Gallery displays, A Tale of Two Families: Generations of Intercultural Communities and Family Lessons and *Collaborating for Conservation*, in the Museum’s freely accessible public space.
- Supported initiatives such as B.C. Family Day which offered free online programming to make the Museum more accessible to all British Columbians. The Province subsidized the cost of delivering these programs, removing financial barriers to access and allowing for participation in a world dealing with the pandemic.

Performance Measure	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.2a Per cent of visitors surveyed satisfied with services	92%	95%	94%	95%	95%

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

### Discussion of Results

The 2020/21 Actual for the per cent of visitors surveyed satisfied with services was slightly lower than the 2020/21 Target; this can likely be attributed to the three-month closure of the Museum. The Museum surveys visitors twice a year (in winter and summer); in 2020/21, the percentage of visitor satisfaction rose in the winter survey, seven months after reopening. This helped mitigate the relatively low score in the summer survey, taken one month after reopening. Survey feedback indicated an extremely high percentage of visitors were aware of the health and safety measures the Museum implemented in response to the pandemic before their visit and felt comfortable during their visit, which helped maintain high visitor satisfaction.

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

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

### Key Highlights

- Rapidly developed [new online offerings](#) for educators and learners of all ages when the Royal BC Museum paused in-person learning activities because of the COVID-19 pandemic.
- Offered programming that educates people about B.C.’s natural and human history (supporting the Museum’s legislated mandate and government’s direction to continue implementing the comprehensive learning strategy).

- Continued providing virtual content to deepen the visitor experience in both feature exhibitions and the core galleries.
- Leveraged digital technology to connect with educators and learners across the province (and internationally), providing access to galleries, collections and experts to areas far from Victoria.

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.3a Numbers of people at our learning programs/events <sup>1</sup>	182,063	176,000	146,216	190,000 <sup>1</sup>	194,000 <sup>1</sup>
2.3b Learning program and event participants on site	32,850	30,000	0	35,000 <sup>1</sup>	35,000 <sup>1</sup>
2.3c Outreach outside the Capital Region	4,370	7,000	N/A	16,000 <sup>1</sup>	20,000 <sup>1</sup>
2.3d Animation participants	144,843	139,000	0	139,000 <sup>1</sup>	139,000 <sup>1</sup>

Data source: Data is compiled from head-count clickers operated by staff, photographs, third-party providers and the Human Resources Volunteer Impact database. Data Source for 2.3b: Visitor numbers are recorded by security guards at Helmcken House/St. Ann’s and by staff at programs and events, using head-count clickers with some additional verification by photographs. Data source for 2.3c has changed; previously data was supplied by third-party providers; going forward, geographic data will be recorded by Learning program staff. Data source for 2.3d is compiled from the Human Resources Volunteer Impact database, which gives the number of people served by learning volunteers, or “animators,” as recorded in their reports and verified by a second volunteer. The data for all three sets is considered reliable.

<sup>1</sup>The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

## Discussion of Results

The Royal BC Museum did not meet its 2020/21 Target for the number of people at learning programs/events. This can be wholly attributed to the impact of the COVID-19 pandemic. The Museum was closed to the public from the beginning of the fiscal year to June 19, 2020, which meant all in-person learning programs and events were cancelled. When the Museum reopened in June 2020, all onsite learning programs, groups and school programs were suspended pending restart direction from B.C. public health authorities. The existing method for measuring outreach outside the Capital Region (2.3c), data from third-party providers, did not translate to exclusively online programming, so this performance measure will resume in 2021/22 with Learning program staff recording data internally. Finally, all volunteer-led, in-person, non-ticketed learning activities (2.3d “animations”) were cancelled for the year, as the Museum had paused its in-person volunteer program.

## Objective 2.4: Increase visitor volume online

The Royal BC Museum’s online presence is the digital face of the museum and archives, supporting its reputation and, by extension, that of British Columbia. Recognizing that not all British Columbians (or people around the world) are able to travel to Victoria to experience the Royal BC Museum in person, this objective reflects the view that digital visits are as valuable and important as in-person, on-site visits.

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

## Key Highlights

- [Made available to the public](#) 16,103 historical photographs (taken between the late 1800s and the 1970s) depicting Indigenous communities from across BC.
- [Digitized and made accessible](#) to the public a historic ledger documenting decisions by the Indian Reserve Commission and Indigenous Elders and Chiefs on lands that were later designated as reserves on the Lower Mainland and Vancouver Island.
- Offered the public [free digital programming](#) for Family Day 2021.
- Supported preservation and access through the consistent digitization of collections and archives materials; continued the expansion of the [Research Portal](#) to share museum and archives research initiatives; and added to the [BC Archives' collection search](#) (also known as Access to Memory, or AtoM) and [Integrated Museum Management](#) (IMM, the Museum collection search).
- Supported Learning goals through digital initiatives like the [Learning Portal](#); [Digital Field Trips](#) for teachers and students across the province; and annual teachers' professional development workshops that are focused on digital learning opportunities.
- Expanded the number of [online programs](#) for both learners and teachers while the Museum was closed during the pandemic, and after the Museum reopened.

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.4a Total visitors to website, in millions (M); (does not include Learning Portal)	11.4 M page views 1.9 M sessions	12 M page views 2.2 M sessions	11.2 M page views 1.6 M sessions	12.6 M page views 2.3 M sessions	13.2 M page views 2.4 M sessions
2.4b Total visitors to Learning Portal, in thousands (K)	116.7 K page views 37.3 K sessions	106 K page views 40.7 K sessions	162.2 K page views 52.2 K sessions	114.5 K page views <sup>1</sup> 44 K sessions <sup>1</sup>	123.7 K page views <sup>1</sup> 47.5 K sessions <sup>1</sup>

Data source: 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.

<sup>1</sup>The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

## Discussion of Results

The Royal BC Museum did not meet its 2020/21 Target for the number of visitors to the website (excluding the Learning Portal). This decrease in page views and sessions is largely due to the impact of the pandemic. Typically, visitors seek out information about feature exhibitions online, which results in significant traffic to the Royal BC Museum website. One consequence of the Museum's decision to postpone the feature exhibition [Orcas: Our Shared Future](#) until the following year, was a decrease in visitors to the corporate website.

The Royal BC Museum exceeded its 2020/21 Target for the number of visitors to the Learning Portal. This was largely due to the increased promotion of the Learning Portal as a resource when engaging with schools and the public in online programs. Links to the Learning Portal are provided during the digital @Home programs, in every session as a resource to learn more about specific topics. Links to the Learning Portal are also provided for digital field trip participants of all ages. Both @Home and digital field trips experienced increased traffic during 2020/21 (see PM 2.3c for more information).

Additionally, in 2020/21 the Ministry of Education added the Learning Portal to many of its approved website lists for teachers. Educators across B.C. relied on these lists as a resource more frequently during the pandemic since classrooms became more focussed on online modes of learning.

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

This objective aligns with BC's *Declaration on the Rights of Indigenous Peoples Act* and the Province's commitment to the United Nations Declaration on the Rights of Indigenous Peoples and the articles of the Truth and Reconciliation recommendations. The objective reflects the Royal BC Museum's central and long-standing role in supporting reconciliation through meaningful action that addresses government priorities and, just as importantly, the desires of the Museum's partners in Indigenous communities.

Wherever possible, the Royal BC Museum expedites repatriation requests from the Indigenous collections it safeguards. The Royal BC Museum provides expertise to Indigenous communities in BC seeking the return of ancestral remains and cultural objects from other museums, anywhere in the world. The Royal BC Museum also provides expertise and advice to these museums, modelling a way for cultural institutions to work collaboratively with Indigenous communities.

### **Key Highlights**

- Continued to respond to requests from Indigenous communities in BC to repatriate cultural belongings and Ancestral remains held in the Royal BC Museum's Indigenous collection.
- Signed Memorandums of Understanding with the Esquimalt Nation and the Songhees Nation to collaborate on the modernization project.
- Begun work on an engagement plan in which the Royal BC Museum will consult with various Nations to discuss cultural considerations and solicit their advice on the proper handling and storage of their cultural materials.
- Continued to provide Indigenous communities and individuals with reproductions of records documenting their cultural heritage. Indigenous researchers can access copies of photographs, textual records, sound recordings and other items from the collections.



- Continued to prioritize the digitization of Indigenous materials, with a focus on digitizing linguistic tapes in order to support language revitalization programs within Indigenous communities.
- Continued to identify and share information about residential schools from the collections to educators and learners.
- Continued to offer a wide variety of school programs aimed at increasing awareness of First Nations and Metis cultures and histories.

Performance Measures		2019/20 Actual	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.5a Number of digitized files (sound recordings, photographs, etc.) repatriated to Indigenous communities in BC		1,367	1,300	708	1,300 <sup>1</sup>	1,300 <sup>1</sup>
2.5b Number of visits by Indigenous groups to the Indigenous collections, to assess and access historical materials from their communities	Outreach at events like Hobiye (and virtual outreach)	2,259	3,458	0	2,739 <sup>1</sup>	2,329 <sup>1</sup>
	Archaeology	65	70	0	100 <sup>1</sup>	120 <sup>1</sup>
	Indigenous Collections	298	350	0	375 <sup>1</sup>	375 <sup>1</sup>
	Wawadit'la (Mungo Martin House)	783	800	0	900 <sup>1</sup>	1,000 <sup>1</sup>

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

<sup>1</sup>The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

## Discussion of Results

The Royal BC Museum did not meet its 2020/21 Target for the number of digitized files repatriated to Indigenous communities in B.C., primarily because of the impact of the COVID-19 pandemic. The work associated with this performance measure can only be completed at the Museum site. Staff, working remotely for part of 2020/21 because of the pandemic, were unable to access the specialized equipment required to fulfill this task.

The Royal BC Museum did not meet its 2020/21 Target for the number of visits by Indigenous groups to the Indigenous collections, primarily because of the impact of the pandemic. The pandemic raised health and safety concerns for members of Indigenous communities and the Museum. Consequently, on-site visits were paused during 2020/21, which prevented reaching the Target.

### **Goal 3: Effectively steward our collections**

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

#### **Objective 3.1: Protect our collections**

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

Digitization is a key aspect of preservation and access – capturing old and fragile archives materials like textual records, maps, paintings, photographs and audio and visual materials, and making them accessible to the public through AtoM (Access to Memory, the [BC Archives collection search website](#)). Growing access to digitized materials from the Royal BC Museum's natural and human history collections is provided by online exhibits, by the [Learning Portal](#), [Digital Field Trips](#) for schools and through the planned development of a new Research Portal.

Enabling access involves increasing regional outreach, providing access to experts on site, off-site and online, and connecting meaningfully with diverse cultural and demographic groups.

#### **Key Highlights**

- Continued to grow the [BC Archives' collection search](#) and the [museum collection search](#) (IMM database), providing resources for research and the sharing of knowledge about British Columbia, as well as providing a preservation method related to digitization of records.
- Continued to provide access to the collections through the public-facing [catalog and search system for the BC Archives library](#).
- Continued to process and make publicly accessible government records transferred to the Royal BC Museum.
- Continued to review and update the principles and guidelines of the Conservation Policy of January 2017.
- Continued to enact the Royal BC Museum's Collection Strategy.

Performance Measures	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.1a Collection Risk Management Index (CRMI) score	80%	80%	80%	80%	80%
3.1b Number of objects attached to AtoM, in thousands (K)	30.7 K	42 K	8.6 K	42 K <sup>1</sup>	42 K <sup>1</sup>
3.1c Number of boxes of government records processed, in thousands (K)	2.6 K	3 K	2.1 K	3 K	3 K
3.1d Number of records added to IMM, in thousands (K)	299 K	25 K	97 K	25 K	25 K

Data source: Royal BC Museum.

<sup>1</sup>The Royal BC Museum changed these targets in the [2021/22 Service Plan](#).

## Discussion of Results

The Collection Risk Management Index (CRMI) score reported indicates the percentage of identified risks to the collections that can and have been successfully mitigated (80%).

The remaining risks (20%) pertain to the fabric, structure, systems and environment of the buildings. The CRMI is derived from ongoing analyses of Royal BC Museum facilities and conservations efforts, based on the current international standard.

In PM 3.1b, “objects” are photographs, digital files and PDFs of textual records, and “AtoM” refers to Access to Memory, the [BC Archives’ collection search website](#). The 2020/21 Actual for the number of objects attached to AtoM was lower than targeted, primarily because the pandemic. The work associated with this performance measure can only be completed at the Museum site. Staff, working remotely because of the pandemic, were unable to access the specialized equipment required to fulfill this task. Additionally, original materials cannot be removed from the archives, as this removal, could expose the materials to a number of risks (e.g. fire, water, pest infestations, damage, loss or theft).

In PM 3.1c, “processing” entails reviewing and describing the boxes, carrying out preservation assessments, carrying out preservation treatment and rehousing the records (as required), reviewing the records for access/FOI issues, making the descriptions available online for researchers, providing reference services and managing access to the records. The Royal BC Museum did not meet its 2020/21 Target for PM 3.1c, primarily because of the impact of the pandemic. Much of the work associated with this performance measure is completed at a secure off-site location. In 2020/21, physical distancing and the requirement to complete this work at the Museum’s downtown site made it challenging to meet this Target. Additionally, in 2020/21, staff were often reassigned to manage FOI requests for archival records, putting a strain on their ability to meet this Target.

In PM 3.1d, “IMM” refers to the Royal BC Museum [collections database](#) that provides resources for research and the sharing of knowledge about its natural history and human history collections. The Royal BC Museum surpassed its 2020/21 Target for the number of records

added to IMM through a determined effort to eliminate backlogs of catalogued records, in preparation for the Museum's modernization project.

## **Financial Report**

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

## **Discussion of Results**

The Royal BC Museum ended the year with an operating surplus of \$13.407 million. Museum admission fees were lower than budget due to ongoing COVID-19 pandemic impacts on tourism and restrictions on visitors. Total revenues were significantly higher than budget largely due to higher than anticipated provincial contributions, including a \$14.865 million grant for the purchase of land for the new Collections and Research Building. Total expenditures were higher than budget largely due to additional spending on the Museum modernization project.

The Museum purchased IMAX Victoria on August 29, 2020 and its operations are included from that date. COVID-19 pandemic restrictions limited attendance to 50 people per show, and in November further restrictions closed IMAX Victoria through to the end of the year. IMAX Victoria operations had an overall negative impact on the Museum's net income.

## Financial Summary

(\$000)	2019/20 Actual	2020/21 Budget	2020/21 Actual	2020/21 Variance
<b>Revenue</b>				
Province of British Columbia Operating Contributions	11,866	11,866	11,866	(0)
Other Provincial Funding	2,713	549	23,367	22,818
Museum admission fees	5,831	5,732	1,100	(4,632)
Other income	3,492	3,050	2,017	(1,033)
<b>Total Revenue</b>	<b>23,902</b>	<b>21,197</b>	<b>38,350</b>	<b>17,153</b>
<b>Expenses</b>				
Salaries and benefits	10,708	10,819	11,801	982
Building	2,392	2,362	1,839	(523)
Grant - in lieu of taxes	764	756	789	33
Security	964	1,000	835	(165)
Amortization	968	1,066	1,085	19
Special Exhibitions	1,413	1,500	417	(1,083)
Other Operating Costs	6,676	3,693	8,177	4,484
<b>Total Expenses</b>	<b>23,885</b>	<b>21,196</b>	<b>24,943</b>	<b>3,747</b>
<b>Net Income</b>	<b>17</b>	<b>1</b>	<b>13,407</b>	<b>13,406</b>
<b>Total [Liabilities/Debt]</b>	<b>15,108</b>	<b>40,123</b>	<b>20,462</b>	<b>(19,661)</b>
<b>Capital Expenditures</b>	<b>1,894</b>	<b>27,500</b>	<b>15,031</b>	<b>(12,469)</b>
<b>Accumulated Surplus</b>	<b>16,670</b>	<b>16,655</b>	<b>30,077</b>	<b>13,422</b>

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

**Note 2:** Other Provincial Funding includes \$14.865 million grant for Collections and Research Building land purchase.

## Variance and Trend Analysis

### Revenues

#### Provincial Operating Contribution

Provincial operating contribution remained constant at \$11.866 million. Additional provincial contributions for COVID-19 relief and related projects are included in Other Provincial funding.

### Other Provincial Funding

Other Provincial Funding was \$22.818 million over budget primarily due to funding for the purchase of land for the new Collections and Research Building, funding for COVID-19 relief, Museum Modernization, and the IMAX Victoria purchase.

### Museum Admission Fees

Museum admission revenues were significantly impacted by COVID-19, including a full closure of the Museum in the first part of the fiscal year. Admission revenues were \$4.632 million under 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 \$1.033 million under budget. Revenues were down significantly for property leases and programs held on site due to COVID-19 restrictions.

### **Expenses**

Total operating expenses for the year were \$24.943 million, higher than budget by \$3.747 million primarily due to the IMAX Victoria theatre purchase, a one-time write off of other assets, IMAX Victoria operating costs since date of purchase, offset by reductions in Special Exhibitions, security, travel and other expenses impacted by COVID-19.

### Salaries and Benefits

Salaries and benefits were \$0.982 million over budget primarily due to onboarding of the IMAX Victoria staff, and severance costs.

### Building Costs

Building costs were \$0.523 million under budget due to reduced repair and maintenance spending as well as reduced costs during Museum closure in the first quarter.

### Grant-in Lieu of Property Taxes

The Grant- in Lieu of Property Taxes was \$0.033 million over budget primarily due to onboarding of the IMAX Victoria partially offset by a reduction in the Museum's 2020 property tax assessment.

### Other Expenses

The remaining 40 per cent of total expenses relate to Amortization, Security, and Other Operating Costs. In total these expenses were \$4.338 million over budget, primarily due to IMAX Victoria purchase non-capitalized costs, write offs of other assets, and professional services for project work on the Museum Modernization project.

**Capital Expenditures**

A total investment of \$15.031 million was made in 2020/21 for capital asset additions, \$12.469 million under budget. The capital budget was an estimate of capital costs for the Museum Modernization project, and actual capital spending is subject to changing timelines.

Major capital costs included:

- Purchase of IMAX Victoria (not included in Service Plan budget)
- Purchase of Collections and Research Building land
- Development work on the Collections and Research Building

**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 stewardship role. To effectively manage the variable and unpredictable nature of the Museum’s revenue and philanthropic contributions, the Museum is working to diversify and increase revenue streams and is exploring innovative ways to engage donors, both provincial and federal governments, as well as the private sector. These revenue streams take time to develop and require both human and financial resources to build. The Royal BC Museum expenses are essentially fixed apart from special exhibitions or funded programs. The Museum continues to develop strategies to manage expenditures while maximizing programs in order to meet its mandate in the most cost-effective manner.

In 2020/21 there were significant impacts on museum operations, and the Province provided \$3.4 million in COVID-19 relief support. As the impacts of COVID-19 continue, there could be further impacts on the Museum, its stakeholders, employees, suppliers and other partners. The Museum is not able to fully estimate the effects of the pandemic on its results of operations, financial condition or liquidity at this time. The operations of the Corporation are dependent on continued funding from the Province of British Columbia.

**Capital Expenditures**

<b>Major Capital Projects (over \$50 million)</b>	<b>Year of Completion</b>	<b>Project Cost to March 31, 2021 (\$m)</b>	<b>Estimated Cost to Complete (\$m)</b>	<b>Anticipated Total Cost (\$m)</b>
Collections and Research Building	2025	11.780	212.607	224.387
<p>On September 18, 2020, the Province announced the first phase of the Royal BC Museum modernization project, the construction of the Collections and Research Building in the Royal Bay development of Colwood, B.C. The Collections and Research Building will store and protect the collections, artifacts and archives; provide research areas and laboratories; and support public access to more of the collections.</p>				

## **Appendix A: Additional Information**

### **Organizational Overview**

The strategic priorities of the Royal BC Museum are supported by four organizational streams, each responsible for a number of business areas: Collections and Research; Inclusion and Community Engagement; Museum and Archives Operations; and Corporate Finance.

Also see: [royalbcmuseum.bc.ca/about/corporate-information/organizational-overview/](https://royalbcmuseum.bc.ca/about/corporate-information/organizational-overview/)

### **Corporate Governance**

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

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

#### **Board of Directors** (as of May 28, 2021)

Dr. Daniel F. Muzyka, Chair; Wendy King, Vice Chair; Karen Aird; Nika Collison; Nanon de Gaspé Beaubien-Mattrick; Hon. Carole James; Robert Jawl; Lenora Lee; E. Michael O'Brien; Ratana Stephens; Peeter Wesik.

#### **Board Committees**

Finance and Audit Committee; Governance, Nominating and Human Resources Committee; Museum Redevelopment Committee.

#### **Advisory Committees**

Indigenous Advisory and Advocacy Committee.

#### **Senior Management**

Dr. Daniel F. Muzyka, A/Chief Executive Officer and Board Chair; Mischelle vanThiel, Vice President, Inclusion and Community Engagement and Deputy CEO; Marcus Barthropp, A/Executive Financial Officer; Erika Stenson, A/Vice President, Museum and Archives Operations; David Alexander, A/Vice President, Collections and Research.

### **Contact Information**

The Royal BC Museum's collections, exhibition galleries, archives and administration are located on Victoria's Inner Harbour, at 675 Belleville Street, Victoria BC, V8W 9W2.

Phone: 250 356-7226; email: [receptionist@royalbcmuseum.bc.ca](mailto:receptionist@royalbcmuseum.bc.ca); website: [royalbcmuseum.bc.ca](https://royalbcmuseum.bc.ca).



## **Appendix C: Auditor's Report and Audited Financial Statements**

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2021**

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.

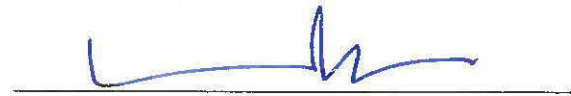
The Royal British Columbia Museum Corporation's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board and its Finance and Audit Committee. The Board reviews internal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



Dr. Daniel Muzyka  
Acting Chief Executive Officer and Board  
Chair



Marcus Barthropp CPA, CA  
Acting Executive Financial Officer and VP  
Corporate Finance

Victoria, British Columbia  
June 21, 2021



## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Qualified Opinion***

I have audited the accompanying financial statements of the Royal British Columbia Museum Corporation (“the entity” or “the Museum”), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the entity as at March 31, 2021, and the results of its operations and accumulated surplus, change in its net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards (PSAS).

### ***Basis for Qualified Opinion***

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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the 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 Revenues***

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

Under 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 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, 2021 would have been lower by \$12.9 million, revenue, annual surplus and accumulated surplus would have been higher by \$12.9 million and net debt would have been lower by \$12.9 million.

### ***Control of the Royal British Columbia Museum Foundation***

As described in Note 13 to the financial statements, the Royal British Columbia Museum Foundation (“the Foundation”) is a registered charity whose sole purpose is to serve the interests of the Museum. In my opinion, the Foundation is an internally restricted entity 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. As an internally restricted entity, the Foundation has the ability to restrict the use of their assets. 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 \$14.9 million, an understatement of liabilities of \$0.1 million, an understatement of accumulated surplus of \$13.9 million, an understatement of revenues of \$1.6 million and an understatement of expenses of \$0.7 million.

### ***Public Private Partnership Assets and Liabilities Not Recognized Appropriately***

As described in Note 20 to the financial statements, the museum entered into a Lease Agreement and Theatre Operating Agreement in 1998 for the construction and operation of a large screen motion picture theatre on the entity’s premises. This represented the formation of a public private partnership between the museum and a private sector entity. Upon construction, the theatre and the liabilities associated with its construction in the form of performance obligations were not recognized on the museum’s statement of financial position. This represents a departure from PSAS, as the theatre and the performance obligations did meet the requirements for recognition in the financial statements.

The entity’s records indicate that the historical cost of the asset at that time would have been approximately \$6.2 million and the amortization policy applied would have been straight line over 40 years. The liabilities associated with the construction of the asset would have been equivalent to the theatre asset at \$6.2 million and should have been recognized to revenue on a straight-line basis over the 30-year term of the operating agreement. Therefore the impact of this departure from PSAS on the comparative figures at March 31, 2020 would be an understatement of tangible capital assets net of amortization of approximately \$2.95 million, an understatement of the performance obligation liability of approximately \$1.855 million, an understatement of amortization expense of approximately \$155,000, an understatement of revenue associated with fulfilment of performance obligations of \$210,000, an understatement of annual surplus of approximately \$55,000, an understatement of opening accumulated surplus of approximately \$1.03 million and an understatement of closing accumulated surplus of approximately \$1.04 million.

As described in Note 20 to the financial statements, on June 20, 2019, pursuant to the exercise of an option to terminate the terms of the operating agreement, the museum recognized the theatre as a tangible capital asset at its estimated fair value on that date, along with an expense associated with the termination of the operating agreement. As described above, this asset along with a liability for a corresponding performance obligation under the terms of the agreement should have been recognized when the theatre was constructed, therefore this represents a departure from GAAP in the current year.

The effect of this departure in the current year is an understatement of tangible capital assets net of amortization of approximately \$1.47 million, an overstatement of deferrals of \$1.32 million, an understatement of revenue of \$1.32 million, an overstatement of expenses of \$370,000, an understatement of net surplus of \$1.69 million and an understatement of closing accumulated surplus of \$1.1 million.

### ***Other Accompanying Information***

Management is responsible for the other information accompanying the financial statements. The other information comprises the information included in the annual service plan report but does not include the financial statements and my auditor's report thereon. The Annual Service Plan Report is expected to be made available to us after the date of this auditor's report.

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.

When I read the Annual Service Plan Report, if I conclude that there is a material misstatement therein, I am required to report that matter to those charged with governance.

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

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Financial Statements***

My objectives are to obtain reasonable assurance about whether the entity's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

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

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

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

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



Stuart Newton, CPA, CA  
Assistant Auditor General

Victoria, British Columbia, Canada  
June 21, 2021



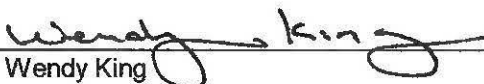
ROYAL BRITISH COLUMBIA MUSEUM  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31

	<i>Notes</i>	2021	2020
<b>Financial Assets</b>			
Cash and cash equivalents	3	\$ 7,166,285	\$ 4,799,357
Accounts receivable	5	4,970,436	1,496,491
Inventory	2(e)	84,344	-
		12,221,065	6,295,848
<b>Financial Liabilities</b>			
Accounts payable and accrued liabilities	6	5,904,197	4,794,365
Leave liability	2(d)	575,571	379,339
Deferred revenue	2(f), 7	1,449,694	1,188,153
Deferred capital contributions	2(g), 8	12,532,073	8,746,641
		20,461,535	15,108,498
<b>Net Financial Debt</b>		(8,240,470)	(8,812,650)
<b>Non-Financial Assets</b>			
Tangible capital assets	2(h), 10	38,151,467	24,205,403
Prepaid expenses	2(i)	165,851	76,637
Other Assets	2(n), 21	-	1,200,000
		38,317,318	25,482,040
<b>Accumulated Surplus</b>		<b>\$ 30,076,848</b>	<b>\$ 16,669,390</b>

**Contractual Obligations** (Note 14)

Approved on behalf of the Board:

  
Dr. Daniel Muzyka  
Acting CEO & Chair - Board of Directors

  
Wendy King  
Chair - Finance and Audit Committee

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

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

	<i>Notes</i>	2021 Budget <i>(Note 17)</i>	2021	2020
<b>Revenues</b>				
Provincial operating contributions		\$ 11,866,000	\$ 11,866,000	\$ 11,866,000
Provincial other contributions		-	8,500,852	2,712,980
Provincial contributions for land purchase	10	-	14,865,808	-
Museum admission fees and memberships		5,732,000	1,099,569	5,830,670
Grants and sponsorships		1,188,000	542,024	875,512
Property leases		915,000	186,198	910,590
Programs, services and miscellaneous		912,000	517,336	1,025,715
Amortization of deferred capital contributions	8	584,000	607,650	557,694
Donated collections and artifacts		-	164,407	122,773
		21,197,000	38,349,844	23,901,934
<b>Expenses</b>				
Salaries and benefits		10,819,000	11,800,590	10,708,187
Building costs		2,362,000	1,838,865	2,392,370
Amortization		1,066,000	1,085,345	967,969
Security		1,000,000	835,319	963,612
Grant in lieu of property taxes		756,000	788,911	763,651
Special exhibitions	9	1,500,000	416,680	1,413,493
Systems and telecommunications		850,000	868,950	889,666
Professional services		390,000	1,929,093	2,165,382
Materials and supplies		250,000	453,822	1,210,559
Offsite Storage		710,000	774,948	751,714
Marketing and communications		380,000	345,540	387,093
Office and business		463,000	160,953	393,208
Insurance		200,000	304,041	204,607
Travel		250,000	21,073	260,419
Bank charges		50,000	52,622	135,038
Collections and artifacts		-	164,407	122,773
Premium of purchase of assets	20	-	1,802,570	-
Other	21	150,500	1,298,657	155,643
		21,196,500	24,942,386	23,885,384
Annual Operating Surplus		500	13,407,458	16,550
Accumulated Surplus, beginning of year			16,669,390	16,652,840
Accumulated Surplus, end of year	12		\$ 30,076,848	\$ 16,669,390

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

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

	2021 Budget	2021	2020
Annual Operating Surplus	\$ 500	\$ 13,407,458	\$ 16,550
Acquisition of tangible capital assets	(27,500,000)	(15,031,407)	(1,893,577)
Write-down of tangible capital assets	-	-	176,466
Amortization of tangible capital assets	1,066,000	1,085,345	967,969
	(26,433,500)	(538,604)	(732,592)
Acquisition of prepaid expense	-	(945,578)	(857,834)
Use of prepaid expense	-	856,364	1,205,045
	-	(89,214)	347,211
Write-down of other assets	-	1,200,000	-
	-	1,200,000	-
(Increase) decrease in net debt	(26,433,500)	572,182	(385,381)
Net debt, beginning of year	(8,812,652)	(8,812,652)	(8,427,270)
<b>Net debt, end of year</b>	<b>\$ (35,246,152)</b>	<b>\$ (8,240,470)</b>	<b>\$ (8,812,652)</b>

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

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

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Annual Operating Surplus	\$ 13,407,458	\$ 16,550
Items not affecting cash:		
Write off of other assets	1,200,000	
Amortization	1,085,345	967,969
Amortization of Deferred capital contributions	(607,650)	(557,694)
Changes in operating working capital:		
Accounts receivable	(3,473,945)	573,787
Inventory	(84,344)	-
Prepaid expenses	(89,214)	347,211
Accounts payable and accrued liabilities	1,109,832	1,408,643
Leave liability	196,232	(2,928)
Deferred revenue	261,541	(234,250)
Cash provided by or (used in) operating activities	13,005,255	2,519,288
<b>CAPITAL ACTIVITIES</b>		
Cash used to purchase tangible capital assets	(15,031,407)	(1,893,577)
Write-down of tangible capital assets	-	176,466
Cash received for the acquisition of tangible capital assets (excluding land)	4,393,080	174,488
Cash provided by or (used in) capital activities	(10,638,327)	(1,542,623)
Increase (decrease) in cash and cash equivalents	2,366,928	976,665
Cash and cash equivalents, beginning of year	4,799,357	3,822,692
Cash and cash equivalents, end of year	\$ 7,166,285	\$ 4,799,357

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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**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 and are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days. 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, 2021**

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**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 in 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 event are recorded as deferred until event completion. Amounts received in advance for admission and gift cards are recorded when admission occurs. Amounts received in advance for annual passes and memberships are recorded on a straight-line basis over the pass and membership term.

(g) Deferred capital contributions

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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**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 years        |
| • Vehicles                       | 3 years        |
| • Furniture                      | 5 years        |

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

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

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

(i) Prepaid expenses

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

(j) Funds and Reserves

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

(k) Revenue Recognition

Government transfers are recognized in the financial statements as revenue when the transfer is authorized, and all eligibility criteria have been met and reasonable estimates of the amount can be made with two exceptions. The first exception is when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met. The second exception occurs for transfer 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, 2021**

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**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 for to acquire depreciable capital assets.

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

(l) Expenses

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

(m) Measurement Uncertainty

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

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

(n) Other Expenses

Other expenses include: GST expense net of recoveries, grants paid, and write down of other asset. The other asset consisted of prior year payments from the Corporation to the Royal British Columbia Museum Foundation as explained in note 21.



**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**3. Cash and Cash Equivalents**

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

	2021	2020
Cash	\$ 2,140,536	\$ 3,774,001
Cash Equivalents	25,749	1,025,356
Cash Held in Trust- Holdback for Land Purchase	5,000,000	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 7,166,285</b>	<b>\$ 4,799,357</b>

**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:

	2021 Increase/ (Decrease)	2020 Increase/ (Decrease)
<b>Statement of Financial Position</b>		
Deferred capital contributions	\$ 12,532,073	\$ 8,746,641
Deferred revenue	318,626	-
Accumulated surplus	\$ 12,850,099	\$ 8,746,641
<b>Statement of Operations and Accumulated Surplus</b>		
Amortization of deferred capital contributions	\$ (607,650)	\$ (557,694)
Annual operating (surplus) deficit	\$ (607,650)	\$ (557,694)

**5. Accounts Receivable**

	2021	2020
Federal Government	\$ 94,630	\$ 20,434
Canada Revenue Agency	97,248	62,977
Provincial Government	4,594,663	1,022,273
Destination Cinema Canada Inc.	-	22,288
Royal British Columbia Museum Foundation	132,749	51,391
Other	51,146	317,128
<b>Total</b>	<b>\$ 4,970,436</b>	<b>\$ 1,496,491</b>

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**6. Accounts Payable and Accrued Liabilities**

	<b>2021</b>	<b>2020</b>
Federal Government	\$ 2,001	\$ -
Provincial Government	3,749,769	3,030,782
Transportation Investment Corporation	346,095	-
Royal BC Museum Foundation	1,534	-
City of Victoria	249,309	194,980
Other	1,555,489	1,568,603
<b>Total</b>	<b>\$ 5,904,197</b>	<b>\$ 4,794,365</b>

**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.

	<b>Balance at March 31, 2020</b>	<b>Additions/ Adjustments</b>	<b>Recognized to revenue</b>	<b>Balance at March 31, 2021</b>
<i>Restricted funds</i>				
Provincial	\$ -	\$ 318,626	\$ -	\$ 318,626
Federal	43,910	128,284	(26,341)	145,853
Other	537,229	90,657	(110,787)	517,099
<i>Unrestricted funds</i>				
Other	607,014	846,786	(985,683)	468,117
<b>Total</b>	<b>\$ 1,188,153</b>	<b>\$ 1,384,353</b>	<b>\$ (1,122,811)</b>	<b>\$ 1,449,694</b>

**8. Deferred capital contributions**

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

	<b>Balance at March 31, 2020</b>	<b>Additions/ transfers</b>	<b>Amortized to revenue</b>	<b>Balance at March 31, 2021</b>
Provincial government	\$ 5,592,392	\$ 4,393,083	\$ 396,434	\$ 9,589,041
Federal government	2,387,038	-	148,177	2,238,861
Other	767,210	-	63,039	704,171
<b>Total</b>	<b>\$ 8,746,640</b>	<b>\$ 4,393,083</b>	<b>\$ 607,650</b>	<b>\$ 12,532,073</b>

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**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 the exhibition. Materials and Supplies include exhibition loan fees where applicable. In fiscal year 2021, exhibition costs were incurred for: *Orcas: Our Shared Future*; *Wildlife Photographer of the Year*; and *Emily Carr: Fresh Seeing*.

	2021	2020
Salaries and benefits	\$ -	22,518
Professional Services contracts	20,436	22,328
Marketing and communications	164,391	437,288
Materials and supplies	161,797	897,920
Other	70,056	33,438
<b>Total</b>	<b>\$ 416,680</b>	<b>\$ 1,413,492</b>

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**10. Tangible capital assets**

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

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

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

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

• Land under development	\$ 10,064,262
• Permanent exhibitions	1,557,023
• Operating Equipment	18,835
• Hardware and software	7,400
• Buildings and improvements	1,715,786
<b>Total capital projects not placed into use</b>	<b><u>\$13,363,306</u></b>

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2021**

**10. Tangible capital assets (continued)**

Land under development includes land purchased and development of collection and research building, anticipated to complete in Fall/Winter of 2024. A \$5,000,000 holdback is held in trust with lawyers for land purchase that will be recognized once sellers' obligations are met. Amortization of these assets, excluding land, will commence when building is placed into service.

Disposals/write-downs for 2021: \$0, (2020: \$176,466) reflects a management decision in the prior year to delay indefinitely three projects to upgrade the core galleries due to changed circumstances.

Cost	Balance at March 31, 2019	Additions	Disposals/ Write-downs	Balance at March 31, 2020
Land	\$ 12,510,140	\$ -	\$ -	\$ 12,510,140
Permanent exhibitions	1,961,415	1,087,329	(176,466)	2,872,278
Operating equipment	745,525	192,023	-	937,548
Hardware and software	3,246,408	221,290	-	3,467,698
Furniture	31,340	-	-	31,340
Buildings and improvements	14,421,611	392,934	-	14,814,545
<b>Total</b>	<b>\$ 32,916,439</b>	<b>\$ 1,893,576</b>	<b>\$ (176,466)</b>	<b>\$ 34,633,549</b>

Accumulated Amortization	Balance at March 31, 2019	Amortization	Accumulated Amortization on Disposals/ write-downs	Balance at March 31, 2020
Land	\$ -	\$ -	\$ -	\$ -
Permanent exhibitions	1,417,231	68,183	-	1,485,414
Operating equipment	624,241	58,333	-	682,574
Hardware and software	2,495,182	281,340	-	2,776,522
Furniture	31,339	-	-	31,339
Buildings and improvements	4,892,184	560,113	-	5,452,297
<b>Total</b>	<b>\$ 9,460,177</b>	<b>\$ 967,969</b>	<b>\$ -</b>	<b>\$ 10,428,146</b>

Net Book Value	Balance at March 31, 2019	Balance at March 31, 2020
Land	\$ 12,510,140	\$ 12,510,140
Permanent exhibitions	544,184	1,386,864
Operating equipment	121,284	254,974
Hardware and software	751,226	691,176
Furniture	1	1
Buildings and improvements	9,529,427	9,362,248
<b>Total</b>	<b>\$ 23,456,262</b>	<b>\$ 24,205,403</b>

At March 31, 2020 the capital projects in progress include:

• Buildings and improvements	\$ 174,488
• Permanent exhibitions	1,080,046
• Operating Equipment	60,112
<b>Total capital projects not placed into use</b>	<b><u>\$1,314,646</u></b>

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**11. Collections and artifacts**

The Corporation conducts a Collections Risk Assessment every five years 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 2021 fiscal year, the Corporation de-accessioned 6 batches (2020: 10) and accessioned 193 batches (2020: 201) to its collections through the acquisition, purchase and accessioning process. The collections are valued at \$190 million for insurance purposes.

**12. Accumulated operating surplus**

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

	Balance at March 31, 2020	Additions	Uses	Balance at March 31, 2021
Unappropriated operating surplus	\$ 14,321,818	\$ 13,407,458	\$ -	\$ 27,729,276
Amounts reserved for future use on:				
Capital expenditures	1,173,786	-	-	1,173,786
Operating	1,173,786	-	-	1,173,786
<b>Total reserves</b>	<b>2,347,572</b>	<b>-</b>	<b>-</b>	<b>2,347,572</b>
<b>Total accumulated operating surplus</b>	<b>\$ 16,669,390</b>	<b>\$ 13,407,458</b>	<b>\$ -</b>	<b>\$ 30,076,848</b>

Certain amounts are set aside in accumulated operating surplus for future financial obligations and the purchase of capital assets. The operating surplus of \$13,407,458 has not been added to any reserve.

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, 2021**

**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 \$6,175,090 (2020 - \$6,161,320), 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:

	2021	2020
Funding for non-capital projects	\$ 436,168	\$ 339,330
Purchases of goods and services	44,965	47,127
<b>Total</b>	<b>\$ 481,133</b>	<b>\$ 386,457</b>

As at March 31, 2021 \$132,749 is due from the Foundation to the Corporation and is included in the accounts receivable (2020: \$51,392).

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

	2021	2020
Purchases of goods and services	21,120	2,892
<b>Total</b>	<b>\$ 21,120</b>	<b>\$ 2,892</b>

As at March 31, 2021, \$1,534 is due from the Corporation to the Foundation and is included in the accounts payable (2020: \$0).

The CEO of the Corporation was independently contracted by the Foundation which provided professional consulting services with respect to fundraising. The independent contract with CEO was cancelled as of February 15, 2021.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**

**14. Contractual Obligations**

Property Management Contract

The Corporation entered into a 2 year service agreement for the provision of building management and maintenance services expiring March 31, 2022. Under the terms of the agreement, the Corporation will pay annual management fees based on 14% of the preventive and maintenance budget (2022 budget: \$335,000). Although the preventive and maintenance budget will likely change over time, the direction and amount of change cannot be estimated with certainty. Forecasting property management costs based on current budget levels result in the following obligations:

2022	\$	46,900
<b>Total</b>	<b>\$</b>	<b>46,900</b>

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

Information Technology Support Contract

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

2022	\$	359,100
2023		209,475
<b>Total</b>	<b>\$</b>	<b>568,575</b>

Security Contract

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

2022	\$	1,049,855
2023		1,068,064
2024		1,091,966
<b>Total</b>	<b>\$</b>	<b>3,209,885</b>

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.



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**14. Contractual Obligations (continued)**

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts which expire on April 30, 2025 and January 31, 2022 respectively. Future minimum payments are as follows:

2022	\$	247,855
2023		197,790
2024		201,260
2025		204,730
<b>Total</b>	<b>\$</b>	<b>851,635</b>

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2025. These costs amounted to \$50,269 in fiscal year 2021.

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

Janitorial Services Contract

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

2022	\$	475,629
2023		317,522
<b>Total</b>	<b>\$</b>	<b>793,151</b>

In addition, the Corporation will be invoiced at cost for janitorial consumables (approximately \$15,500 for 12 months).

**15. Employee Pension Plan**

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

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

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

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**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 2020/2021 Budget approved by the Royal BC Museum Corporation Board of Directors on February 3, 2020 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, 3 % of the accounts receivable balance is past due and none is considered to be impaired. As such the Corporation is not exposed to significant credit risk.

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

**19. Statement of Remeasurement Gains and Losses**

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

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**20. IMAX Theatre Purchase**

In 1998 the museum entered into a Lease Agreement and Theatre Operating Agreement for the operation of a large screen motion picture theatre on the Corporation's premises. Under the terms of the agreement, the Corporation is paid a royalty from theatre sales including certain negotiated adjustments, plus specific amounts for additional operating costs. The term of the agreement was 30 years and expired June 24, 2028.

The lease included an Option that the Corporation could exercise to terminate the lease and purchase from the lease tenant improvements and the furniture fixtures and equipment, and all interests under the Lease (Optioned Assets).

On June 20, 2019, the museum exercised the Option, which constituted a binding purchase and sale agreement for the Optioned Assets. Under the agreement, the purchase price was based on the fair market value of the Optioned Assets as of March 31, 2019 adjusted for cash flow from the continued operations of the Theatre to the closing date as determined by an independent appraiser in accordance with terms in the Lease. The closing date was August 29, 2020 and the statement of operations reflects the results from the Theatre operations from that date forwards.

The purchase transaction of assets acquired were:

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

The amount of consideration paid was \$3,716,578 including taxes, of which \$1,233,580 was charged to purchase premium expense.

Further expenses related to the acquisition of \$568,990 and were also expensed to purchase price premium.

**21. Other Expense**

The financial statements expense other includes a write down of Other Assets of \$1.2 million. The decision to write down the asset this year was determined by management that the funds are likely to not be returned to the Corporation without restrictions.

**22. Comparative Figures**

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION  
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**23. Uncertainty Due to COVID-19**

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The museum responded by closing all on-site operations to the public in the week of March 16, 2020 re-opening June 19, 2020 on a restricted basis. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the museum expects no change to current restrictions on visitors until fall of 2021 and continues to deliver its services in line with Public Health Office's guidelines.

In addition to the museum's internal COVID-19 response, in 2021 the museum received additional funding of \$3.4 million from the Province. The operations of the Corporation are dependent on continued funding from the Province of British Columbia. These financial statements have been prepared on a going concern basis.

As the impacts of COVID-19 continue, there could be further impacts on the museum, its stakeholders, employees, suppliers and other partners. The museum is not able to fully estimate the effects of the pandemic on its results of operations, financial condition or liquidity at this time.