

Royal BC Museum Corporation
Statement of Financial Information

Filed in accordance with the *Financial Information Act*

Fiscal Year Ended March 31, 2018

Royal BC Museum Corporation

Table of Contents

Schedules:

- A. Statement of Financial Information Act Approval
- B. Management Report
- C. Audited Financial Statements
March 31, 2018
- D. Schedule of Debts
March 31, 2018
- E. Schedule of Guarantee and Indemnity Agreements
March 31, 2018
- F. Schedule of Remuneration and Expenses
March 31, 2018
- G. Schedule of Payments to Suppliers of Goods and Services
March 31, 2018

Royal BC Museum Corporation

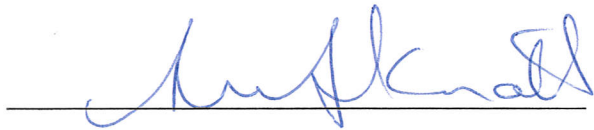
SCHEDULE A
Statement of Financial Information Act Approval

March 31, 2018

Royal BC Museum Corporation Statement of Financial Information Act Approval

March 31, 2018

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



Susan Knott, Chair, Board of Directors



Raymond Protti, Finance and Audit Committee Chair, Board of Directors

May 10, 2018

Royal BC Museum Corporation

**SCHEDULE B
Management Report**

March 31, 2018

Royal British Columbia Museum Corporation

Management Report

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* (the "Act") have been prepared by management in accordance with generally accepted accounting principles for public sector organizations established by the Public Sector Accounting Board of the Chartered Professional Accountants and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all statements and schedules, and for ensuring that this information is consistent with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that assets are safeguarded, and that the accounting system provides timely, accurate and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance and Audit Committee of the Board. The Finance and Audit committee meets on a regular basis with management and the external auditors to discuss any significant financial reporting or internal control matters prior to recommending approval of the financial statements by the Board of Directors. The Finance and Audit Committee also recommends the appointment of external auditors to the Board of Directors.

The financial statements have been examined by independent external auditors in accordance with Canadian generally accepted auditing standards. The external auditor's responsibility is to express their opinion whether the financial statements are presented fairly. Their examination does not relate to the other schedules and statements required by the Act. The Auditor's Report, which follows, outlines the scope of their examination and their opinion.



Jack Lohman CBE
Chief Executive Officer



Melissa Sands CPA, CA
Chief Financial Officer and VP
Corporate Finance

Victoria, British Columbia
May 10, 2018

Royal BC Museum Corporation

SCHEDULE C
Audited Financial Statements

March 31, 2018

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 2018

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

CONTENTS

Management's Report

Independent Auditors' Report

Financial Statements

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Debt

Statement of Cash Flows

Notes to Financial Statements

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

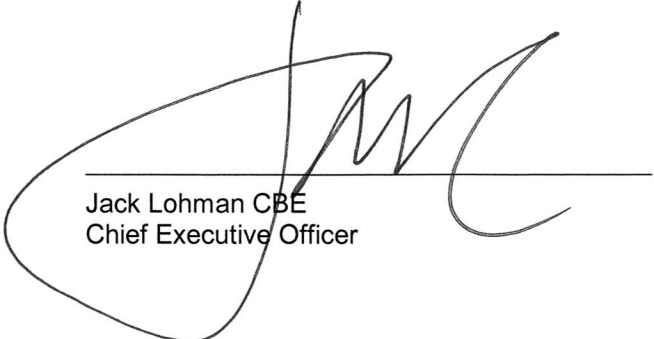
MANAGEMENT'S REPORT

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

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


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

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



Jack Lohman CBE
Chief Executive Officer

Victoria, BC
May 10, 2018



Melissa Sands CPA, CA
Chief Financial Officer and VP Corporate
Finance

Independent Auditors' Report

Grant Thornton LLP
Suite 650
1675 Douglas Street
Victoria, BC
V8W 2G5
T +1 250 383 4191
F +1 250 381 4623
www.GrantThornton.ca

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

We have audited the accompanying financial statements of the Royal British Columbia Museum Corporation, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Royal British Columbia Museum Corporation as at March 31, 2018, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with the accounting requirements of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of matter

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

Victoria, Canada
May 10, 2018



Chartered Professional Accountants

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

	2018	2017
Financial Assets		
Cash and cash equivalents (Note 2(b))	\$ 3,628,456	\$ 4,409,659
Accounts receivable	1,250,046	586,531
	4,878,502	4,996,190
Financial Liabilities		
Accounts payable and accrued liabilities	4,026,030	4,085,063
Leave liability (Note 2(i))	386,209	388,589
Deferred revenue (Note 7)	2,376,798	1,361,744
Deferred capital contributions (Note 8)	8,518,278	9,115,562
	15,307,315	14,950,958
Net Financial Debt	(10,428,813)	(9,954,768)
Non-Financial Assets		
Tangible capital assets (Note 10)	23,042,003	22,840,646
Prepaid expenses	415,903	121,213
	23,457,906	22,961,859
Accumulated Surplus	\$ 13,029,093	\$ 13,007,091

Commitments (Note 13)

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

ON BEHALF OF THE BOARD

Director

Director

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31

	2018 Budget (Note 4)	2018	2017
Revenues			
Provincial operating contributions	\$ 11,866,000	\$11,866,000	\$ 11,866,000
Museum admission fees and memberships	4,205,246	4,836,042	5,708,590
Grants and sponsorships	2,413,000	1,549,487	1,860,282
Property leases	846,002	832,657	923,716
Programs, services and miscellaneous	726,131	679,215	667,030
Amortization of deferred capital contributions (Note 8)	630,000	597,284	624,404
Donated collections and artifacts (Note 2(g))	-	350,113	215,682
	20,686,379	20,710,798	21,865,704
Expenses			
Salaries and benefits	10,149,962	9,816,244	9,492,643
Building costs	2,124,036	2,555,426	2,184,306
Amortization	967,005	894,722	869,412
Security	907,391	870,980	857,612
Grant in lieu of property taxes	650,000	707,710	650,489
Special exhibitions (Note 9)	983,016	926,951	2,124,300
Systems and telecommunications	872,804	931,342	827,151
Professional services	818,933	572,658	521,767
Materials and supplies	516,373	484,379	406,847
Offsite Storage	725,000	697,541	697,056
Marketing and communications	337,786	392,956	371,836
Office and business	636,645	669,303	592,660
Insurance	240,000	200,806	195,102
Travel	362,411	269,342	297,622
Bank charges	120,000	101,830	126,317
Collections and artifacts	-	350,113	215,682
Donations (Note 15)	-	200,000	1,000,000
Other	247,000	46,493	407,045
	20,676,361	20,688,796	21,837,847
Annual Surplus	10,018	22,002	27,857
Accumulated Surplus, beginning of year	13,007,091	13,007,091	12,979,234
Accumulated Surplus, end of year	\$ 13,017,109	\$13,029,093	\$ 13,007,091

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

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

	2018 Budget (Note 4)	2018	2017
Annual Surplus	\$ 10,018	\$ 22,002	\$ 27,857
Acquisition of tangible capital assets	(605,000)	(1,096,079)	(550,236)
Amortization of tangible capital assets	967,005	894,722	1,290,589
	372,023	(179,355)	768,210
Acquisition of prepaid expense	-	(971,415)	(622,206)
Use of prepaid expense	-	676,725	1,015,112
	-	(294,690)	392,906
Change in net debt	372,023	(474,045)	1,161,116
Net debt, beginning of year	(9,954,768)	(9,954,768)	(11,115,884)
Net debt, end of year	\$ (9,582,745)	\$ (10,428,813)	\$ (9,954,768)

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

	2018	2017
OPERATING ACTIVITIES		
Annual Surplus	\$ 22,002	\$ 27,857
Items not affecting cash:		
Amortization	894,722	1,290,589
Deferred capital contributions	(597,284)	(624,404)
Changes in non-cash capital:		
Accounts receivable	(663,515)	62,088
Prepaid expenses	(294,690)	392,906
Accounts payable and accrued liabilities	(59,033)	1,522,160
Leave liability	(2,380)	24,032
Deferred revenue	1,015,054	(761,464)
Cash from operating activities	314,876	1,933,764
INVESTING ACTIVITIES		
Cash used to purchase tangible capital assets	(1,096,079)	(550,236)
Cash from (used for) investing activities	(1,096,079)	(550,236)
Increase (decrease) in cash and cash equivalents	(781,203)	1,383,528
Cash and cash equivalents, beginning of year	4,409,659	3,026,131
Cash and cash equivalents, end of year	\$ 3,628,456	\$ 4,409,659

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, 2018

1. Nature of operations

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

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

2. Summary of significant accounting policies

(a) Basis of presentation

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

(b) Cash and cash equivalents

Cash includes cash on hand and balances held in Canadian bank accounts. Cash equivalents are investments in term deposits and are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days.

(c) Financial instruments

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

(d) Revenue recognition

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

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

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Summary of significant accounting policies continued

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

Contributions provided for capital projects by external parties or governments are deferred and recognized as revenue on the same basis the related assets are amortized, in accordance with the terms of the funding agreement.

(e) Tangible capital assets

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

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

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use. At March 31, 2018 the value of capital assets not placed into use was:

• Buildings and improvements	\$646,879
• Permanent exhibitions	\$86,959
• Computer hardware and software	<u>\$67,632</u>
Total capital assets not placed into use	<u>\$801,470</u>

(f) Deferred contributions

Funding received for the acquisition of depreciable tangible capital assets is recorded as a deferred contribution and is recognized as revenue in the Statement of Operations in an amount equal to the amortization expense on the related depreciable assets. This policy is in accordance with Treasury Board Regulation BC 198/2011 under the authority of the *Budget Transparency and Accountability Act*, S.B.C. 2000, c.23, s.23. This accounting treatment is not consistent with the requirements of Canadian public sector accounting standards which require that government transfers be recognized as revenue when approved by the transferor and certain eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer would be recognized as revenue over the period in which the liability is extinguished. The impact of the difference in this accounting policy on the financial statements is presented in Note 5.

(g) Collections

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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

Summary of significant accounting policies continued

(h) Volunteers

During the year, volunteers contributed approximately 46,000 hours (2017: 46,000) in support of the Corporation. Their activities include guided gallery tours and a variety of programs that enrich the visitor's experience at the Corporation and its profile in the community. Due to the complexities involved in valuing these services, they have not been reflected in the financial statements.

(i) Employee benefit plans

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The Plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. These contributions to the plan are expensed as incurred.

The Corporation annually contributes through the Provincial Government payroll benefit plan for specific termination benefits and employee benefits as provided for under collective agreements and conditions of employment. The benefit charge back rate that the Corporation pays through the Provincial Government is currently 24.3% (2017: 24.3%). Costs of future benefits are recognized as an expense in the year that contributions are paid.

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

(j) Use of estimates

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

3. Statement of Remeasurement

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

4. Budget

Budgeted figures provided in these statements were approved by the Royal BC Museum Corporation Board of Directors on June 1, 2017.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

5. Emphasis of Matter

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

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

	2018	2017
	Increase/ (Decrease)	Increase/ (Decrease)
<hr/>		
Statement of Financial Position		
Deferred capital contributions	\$ (8,518,278)	\$ (9,115,562)
Deferred Revenue	(600,000)	-
Accumulated Surplus	9,118,278	9,115,562
 Statement of Operations		
Grants and sponsorships	600,000	-
Amortization of deferred capital contributions	(597,284)	(624,404)
Annual Surplus	\$ 1,197,284	\$ 624,404

6. Financial risk management

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

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 institutions and as such liquidity risk is not significant.

Credit Risk: Receivable balances consist primarily of trade receivables. At the financial statement date, 2% 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.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

7. Deferred revenue

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

	2018		2017	
Operating projects (restricted)	\$	1,752,199	\$	884,519
Other		624,599		477,225
Total	\$	2,376,798	\$	1,361,744

8. Deferred capital contributions

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

	Balance at March 31, 2017		Additions/ transfers	Amortized to revenue	Balance at March 31, 2018	
Provincial government	\$	4,728,643	\$ -	\$ 141,372	\$	4,587,271
Federal government		2,871,788	-	157,964		2,713,824
Other		1,515,131	-	297,948		1,217,183
Total	\$	9,115,562	\$ -	\$ 597,284	\$	8,518,278

9. Special exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and encourage repeat visitation. Costs allocated to special exhibitions are those additional costs which are directly incurred to host the exhibition. Professional service contract expenses include exhibition loan fees where applicable. In fiscal year 2018, exhibition costs were incurred for: *Family: Bonds and Belongings*; *Wildlife Photographer of the Year*; and *Egypt: The Time of Pharaohs*.

	2018		2017	
Salaries and benefits	\$	124,031	\$	176,737
Professional service contracts		52,592		68,553
Amortization		0		421,177
Marketing and communications		321,288		288,731
Materials and supplies		254,541		925,169
Other		174,499		243,933
Total	\$	926,951	\$	2,124,300

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

10. Tangible capital assets

Cost	Balance at		Balance at					
	March 31, 2017		Additions	Disposals	March 31, 2018			
Land	\$	12,510,140	\$	\$	12,510,140			
Permanent exhibitions *		2,671,025	86,959	(878,793)	1,879,191			
Operating equipment		593,240	115,671		708,911			
Hardware and software		2,787,890	236,972		3,024,862			
Furniture		31,340			31,340			
Buildings and improvements		12,762,664	656,477		13,419,141			
Total	\$	31,356,299	\$	1,096,079	\$	(878,793)	\$	31,573,585

Accumulated Amortization	Balance at		Accumulated		Balance at			
	March 31, 2017		Amortization	Amortization on	Disposals	March 31, 2018		
Land	\$	-	\$	\$	-	-		
Permanent exhibitions		2,159,659	68,182	(878,793)	1,349,048			
Operating equipment		520,858	54,539		575,397			
Hardware and software		2,039,818	207,854		2,247,672			
Furniture		29,683	1,656		31,339			
Buildings and improvements		3,765,635	562,491		4,328,126			
Total	\$	8,515,653	\$	894,722	\$	(878,793)	\$	8,531,582

Net Book Value	Balance at		Balance at	
	March 31, 2017		March 31, 2018	
Land	\$	12,510,140	\$	12,510,140
Permanent exhibitions		511,366		530,143
Operating equipment		72,382		133,514
Hardware and software		748,072		777,190
Furniture		1,657		1
Buildings and improvements		8,997,029		9,091,015
Total	\$	22,840,646	\$	23,042,003

11. Collections

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 2018 fiscal year, the Corporation de-accessioned 2 batches (2017: 16) and accessioned 159 batches (2017: 188) to its collections through the acquisition, purchase and accessioning process. The collections are valued at \$150 million for insurance purposes.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

12. The Royal British Columbia Museum Foundation

The Corporation has an economic interest in the Royal British Columbia Museum Foundation (the "Foundation"). The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The Foundation was incorporated to support activities on behalf of the Corporation. The principal activities of the Foundation are the operation of the Royal Museum Shop, the management of donations, bequests, endowments and the support of projects undertaken by the Corporation.

The Foundation has internally restricted funds of approximately \$5,426,000 (2017 - \$4,759,000), which are reserved for specific projects for transfer to the Corporation in future years.

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

	2018	2017
Funding for non-capital projects	\$ 134,991	\$ 48,988
Funding for capital projects	250,000	-
Purchase of goods and services	56,358	45,791
Total	\$ 441,349	\$ 94,779

As at March 31, 2018, \$0 is due from the Foundation to the Corporation and is included in the accounts receivable (2017: \$63,956).

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

	2018	2017
Donations	\$ 200,000	\$ 1,000,000
Purchase of goods and services	3,660	3,313
Total	\$ 203,660	\$ 1,003,313

As at March 31, 2018, \$0 is due from the Corporation to the Foundation (2017: \$1,124)

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

13. Commitments

Operating Agreement

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Property Management Contract

The Corporation entered into a 5 year service agreement for the provision of building management and maintenance services expiring March 31, 2020. Under the terms of the agreement, the Corporation will pay annual management fees based on 14% of the preventive and maintenance budget (2019 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:

2019	\$	46,900
2020		46,900
Total	\$	93,800

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:

2019	\$	286,800
2020		286,800
2021		286,800
2022		286,800
2023		167,300
Total	\$	1,314,500

Security Contract

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

2019	\$	838,513
Total	\$	838,513

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.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

Exhibition Loan Fees

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

2019	\$	407,000
Total	\$	407,000

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts which expire on April 30, 2020 and January 31, 2022 respectively. Future minimum payments are as follows:

2019	\$	241,212
2020		241,212
2021		78,990
2022		53,535
Total	\$	614,949

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2020. These costs amounted to \$42,624 in fiscal year 2018.

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

14. 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.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
Revenue:		
Provincial operating contributions	\$ (11,866,000)	(11,866,000)
Programs, services and miscellaneous	(2,608)	(12,952)
Grants and sponsorships	(395,942)	(356,285)
Expenses:		
Offsite storage	397,239	392,425
Professional services contracts	41,303	67,697
Building costs	674,830	657,086
Insurance	22,500	22,500
Special exhibitions	0	20,520
Systems and telecommunications	157,006	166,860
Marketing and communications	85	85
Materials and supplies	2,201	6,280
Office and business	48,296	46,008
Bank charges	58,568	86,818
Assets (liabilities) at March 31		
Accounts receivables	863,443	301,338
Accounts payable and accrued liabilities	(1,428,457)	(2,834,504)
Deferred revenue	(725,820)	(14,200)

15. Donations

A contribution of \$200,000 (2017: \$1,000,000) was made to the Royal British Columbia Museum Foundation (the "Foundation") to assist in funding future museum and archives projects at the Corporation. The contribution is part of a long-standing economic partnership with the Foundation to assist and support provincial museum initiatives and projects through attracting federal and other foundation monies.

Royal BC Museum Corporation

SCHEDULE D Schedule of Debts

March 31, 2018

The Royal BC Museum Corporation has no outstanding debt instruments as at March 31, 2018.

Royal BC Museum Corporation

SCHEDULE E
Schedule of Guarantee and Indemnity Agreements

For the fiscal year ended March 31, 2018

Royal BC Museum Corporation

Schedule of Guarantee and Indemnity Agreements

For the Fiscal Year Ended March 31, 2018

Guarantee agreements

No guarantee agreements were made during the fiscal year.

Indemnity agreements

The Corporation of the District of Oak Bay

City of Victoria

Clipper Navigation, Inc.

Vancouver Island Health Authority

KONE Inc.

British Columbia Hydro and Power Authority

British Columbia public or private post-secondary academic institutions

Canadian public or private post-secondary academic institutions

International public or private post-secondary academic institutions

Royal BC Museum Corporation

SCHEDULE F
Schedule of Remuneration and Expenses

March 31, 2018

Royal BC Museum Corporation

Schedule of remuneration and expenses paid to or on behalf of each Member of the Board of Directors

For the Fiscal Year Ended March 31, 2018

Name	Position	Remuneration	Expenses
Knott, Susan (Vancouver)	Chair	\$ -	\$ 3,670
Protti, Raymond (Victoria)	Vice Chair	-	\$ 258
Adams, David (Victoria)	Director	-	\$ 1,979
King, Wendy (Vancouver)	Former Director	-	\$ 640
Wesley, Angela (Terrace)*	Director	-	\$ 1,958
Peeter Wesik (Vancouver)	Director	-	\$ -
Varshney, Anuja (Vancouver)	Director	-	\$ 438
Joseph, Tewanee (Vancouver)	Former Director	-	\$ 640
Fitzpatrick, Gordon (Kelowna)	Former Director	-	\$ 1,401
O'Brien, E. Michael (Richmond)	Director	-	\$ -
Total Travel to March 2018		\$ -	\$ 10,985

* Includes travel costs related to First Nations Advisory & Advocacy Committee meetings

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

Royal BC Museum Corporation

Schedule of remuneration and expenses paid to or on behalf of each employee

For the Fiscal Year Ended March 31, 2018

Name	Position	Remuneration	Expenses
Alexander, David	Head of Archives, Access and Digital	\$ 95,211	\$ 3,955
Barnes, Michael	Head of Exhibitions	94,859	10,919
Barthropp, Marcus	Head of Corporate Finance	98,316	1,139
Bell, Lucille	Head of First Nations and Repatriation	88,604	9,824
Best, Leah	Head of Knowledge	91,510	4,993
Black, Martha	Curator, Ethnology	87,580	(227)
Bourdon, Donald	Curator, Images & Paintings	80,209	404
Carter, Michael	Government Records Manager	79,447	-
Choong, Henry H	Curator, Invertebrate Zoology	82,592	3,304
Chung, Tzu-l	Curator, History	89,641	4,270
Cooper, Scott	Former VP, Collections, Knowledge & Engagement	89,222	13,272
Dallison, Jonathan L	Manager, Donor Relations	90,110	3,662
Fudge-Jensen, Karen	VP, Archives and Museum Operations	106,948	1,410
Gibson, Joel F	Curator, Entomology	84,566	2,677
Hammond, Lorne	Curator, History	86,117	8,846
Hanke, Gavin	Curator, Vertebrate Zoology	87,767	342
Jer-Nakamura, Lily	Executive Coordinator	82,793	2,896
Johnson, Kenneth E	Exhibition Designer	79,843	1,260
Keddie, Grant R.	Curator, Archaeology	80,085	-
Lee, Kasey J	Senior Conservator	87,269	1,440
Lohman, Jack C	Chief Executive Officer	180,946	52,796
Lowings, Pamela J	Head of Property Management & Site Development	98,744	5,774
MacDonald, Janet	Head of Learning	96,336	8,161
Marr, Ken	Curator, Botany	87,767	13,263
Roodbol, Jon G.	Supervisor, Facilities	76,947	-
Sands, Melissa P	Chief Financial Officer and VP Corporate Finance	120,531	6,129
Sendall, Kelly	Head of Collections Care & Conservation (Retired)	91,833	451
Stenson, Erika	Head of Marketing, Sales & Business Development	98,316	8,571
Williams, Angela I	VP, Collections, Research and International Programs	120,531	4,557
Consolidated total of other employees/non-employees with remuneration of \$75,000 or less		5,470,868	208,927
Total – All Employees		\$ 8,205,510	\$ 383,015

Reconciliation of Remuneration to Financial Statements:

Total remuneration (per listing above)	\$ 8,205,510
Reconciling items:	
Benefits	1,993,939
Accruals	(296,705)
Salaries Classified under Special Exhibitions	(86,466)
Other adjusting items	(34)
Total Reconciling Items	1,610,734
Total Salary and Benefits on Statement of Operations	\$ 9,816,244

Statement of Severance Agreements

There were no severance agreements between the Royal BC Museum Corporation and its employees during fiscal 2017/18.

Royal BC Museum Corporation

SCHEDULE G
Schedule of Payments to Suppliers of Goods and
Services

March 31, 2018

Royal BC Museum Corporation

Schedule of Payments to Suppliers of Goods and Services

For the fiscal year ended March 31, 2018

Supplier Name	Aggregate Amount
ABORIGINAL TRAVEL SERVICES	53,690
ACKLANDS GRAINGER INC	27,000
ALLIANCE OF NATURAL HISTORY MUSEUMS OF CANADA	27,000
ALPHA ROOFING & SHEET METAL INC	44,112
BC HYDRO	395,569
BELL MEDIA INC	31,719
BENTON & OVERBURY LTD	26,988
BLACK & MCDONALD LIMITED	396,085
CANADA REVENUE AGENCY	62,666
CASCADE FIRE PROTECTION	29,330
CD SPECIALTY CLEANING & RESTORATION LTD	36,895
CHEK MEDIA GROUP	33,858
CITY OF VICTORIA	763,528
COLD STAR FREIGHT SYSTEMS INC	60,247
CORUS SALES INC.	33,083
CUBE GLOBAL STORAGE LTD	31,383
DIGITAL DIRECT PRINTING LTD	68,282
DR. MARK KILFOYLE	39,350
FIRST PEOPLES' CULTURAL COUNCIL	65,000
FRIESENS	90,996
GRAND & TOY	36,559
GRANT THORNTON LLP	35,018
GRAPHIC FX SIGNWORKS	26,642
HALOGEN	41,567
HIGHLAND GARDEN CARE	60,476
HOULE ELECTRIC LTD	58,462
INNOV8 DIGITAL SOLUTIONS INC.	49,085
ISLAND EHS	28,376
JANET WRIGHT & ASSOCIATES INC	30,507
KONE INC	342,965
LIESCH INTERIORS LTD	106,538
LIME DESIGN INC	38,848
LONG VIEW SYSTEMS	193,978
MARSH CANADA LTD	170,166
MATTHEWS STORE FIXTURES & SHELVING	93,680
MINISTER OF FINANCE	1,062,452
MOLONEY PAINTING LTD	65,705
MONK OFFICE SUPPLY LTD	27,275
MUSEUMSPARTNER INCORPORATED	345,000
NATURAL HISTORY MUSEUM	63,910

Supplier Name	Aggregate Amount
NGX INTERACTIVE	101,175
NORTH SHORE PRODUCTIONS, INC	56,280
office of mcfarlane biggar architects + design inc	72,130
PACE GROUP	66,763
PACIFIC AUDIO WORKS LTD	55,642
PACIFIC CONCRETE CUTTERS LTD	30,945
PALADIN SECURITY GROUP LTD	942,004
PALADIN TECHNOLOGIES	85,213
PEMBERTON HOLMES LTD	232,210
PERMA CONSTRUCTION LTD	147,127
QUARTECH SYSTEMS LTD	72,976
RICHELIEU HARDWARE LTD	32,444
ROYAL BC MUSEUM FOUNDATION	203,587
S D R PROJECT MANAGEMENT LTD	223,255
SMAK MEDIA & PROMOTIONS INC	25,000
SOUTH COAST ELECTRIC LTD	120,492
SUMMIT MECHANICAL SYSTEMS LTD	70,739
SZOLYD DEVELOPMENT CORP	36,000
TELUS MOBILITY	58,627
THINK	62,770
TIMES COLONIST	28,266
TRICOM BUILDING MAINTENANCE LTD	427,673
TRUFFLES CATERING	50,799
UNIVERSITY OF VICTORIA	31,262
UNO LANGHAM LIMITED	44,000
VANTIX SYSTEMS INC	48,062
VERITIV CANADA INC	39,690
WEST BAY MECHANICAL LTD	26,953
WILLIAM WHITE	37,259
WSP CANADA INC	43,801
Consolidated total of other payments with aggregate totals under \$25,000	2,514,992
Total	11,182,126
Reconciliation to Statement of Operations:	
Total Payments to Suppliers (per previous table)	11,182,126
Reconciling items:	
Salaries and Benefits	9,816,244
Salaries and benefits classified under special exhibitions	86,466
Amortization	894,722
Net Change in Prepays	-294,690
Collections and Artifacts	350,113
Acquisition of Tangible Capital Assets	-1,096,079
Financial Statement Accruals	-250,106
Total Reconciling Items	9,506,670
Total Expenditures per Statement of Operations	20,688,796