

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2025

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

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ROYAL BRITISH COLUMBIA MUSEUM CORPORATION

MANAGEMENT'S REPORT

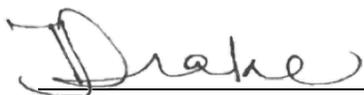
The financial statements of the Royal British Columbia Museum Corporation have been prepared by management in accordance with the financial reporting framework disclosed in Note 2, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for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

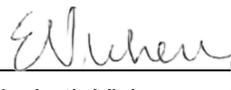
The Royal British Columbia Museum Corporation's Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board and its Finance and Audit Committee. The Board reviews internal 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, Doane Grant Thornton LLP, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the Royal British Columbia Museum Corporation's financial statements. The auditors have full and free access to financial management of the Royal British Columbia Museum Corporation and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements of the Royal British Columbia Museum Corporation.

On behalf of the Royal British Columbia Museum Corporation:



Tracey Drake
Chief Executive Officer



Elizabeth Vickery
Executive Financial Officer and
VP Museum Operations

Victoria, British Columbia
July 3, 2025

Independent auditor's report

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

Opinion

We have audited the financial statements of Royal British Columbia Museum Corporation ("the Entity"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Royal British Columbia Museum Corporation for the year ended March 31, 2025, are prepared, in all material respects, in accordance with accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 2(g) 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 4 to the financial statements discloses the impact of these differences.

Other matters

The financial statements of the Royal British Columbia Museum Corporation for the year ended March 31, 2024 were audited by the Office of the Auditor General of BC who expressed a qualified opinion on those financial statements on June 28, 2024.

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

Management is responsible for the preparation of the financial statements in accordance with 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.

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 a going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 our 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We 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 we identify during our audit.

Victoria, Canada
June 24, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants

ROYAL BC MUSEUM CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

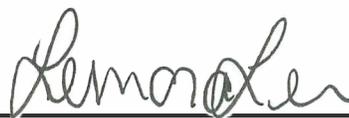
	Notes	2025	2024
Financial Assets			
Cash and cash equivalents	3	\$ 4,426,346	\$ 2,942,414
Restricted cash	3	4,657,842	-
Accounts receivable	5	8,397,896	10,984,778
Inventory	2 (e)	106,456	48,882
		17,588,540	13,976,074
Financial Liabilities			
Accounts payable and accrued liabilities	6	25,698,233	19,618,301
Leave liability	2(d)	600,036	583,540
Asset retirement obligation	2(n), 21	9,967,188	9,558,087
Deferred revenue	2(f), 7	1,234,712	1,272,435
Deferred capital contributions	2(g), 8	148,157,937	67,564,340
		185,658,105	98,596,704
Net Financial Debt		(168,069,565)	(84,620,630)
Non-Financial Assets			
Tangible capital assets	2(h), 10	191,657,649	102,881,216
Prepaid expenses	2(i)	462,572	864,555
		192,120,220	103,745,771
Accumulated Surplus	12	24,050,655	19,125,141

Contractual Obligations (Note 14)

Approved on behalf of the Board



Ry Moran
Board Chair



Lenora Lee
Chair - Finance and Audit Committee

ROYAL BRITISH COLUMBIA MUSEUM
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2025

	Notes	2025 Budget (Note 17)	2025	2024
Revenues				
Provincial operating contributions		\$ 13,086,000	\$ 13,251,000	\$ 12,940,000
Provincial contributions for other purposes		3,960,000	9,702,497	11,807,896
Museum admission fees and memberships		5,300,000	5,383,515	5,223,245
IMAX admission fees and annual passes		2,915,097	2,710,969	2,498,804
Grants and sponsorships		100,000	336,448	12,500
Contributions from RBCM Foundation	13	50,000	1,138,818	147,614
Property leases		280,607	226,558	181,076
Programs, services and miscellaneous		1,896,685	2,342,997	2,371,442
Proceeds on deaccession		-	4,580,460	-
Amortization of deferred capital contributions	8	862,743	1,044,784	775,871
Donated collections and artifacts		-	159,545	155,483
Total Revenues		28,451,132	40,877,590	36,113,931
Expenses				
Salaries and benefits		16,654,240	17,476,726	16,016,975
Building costs		2,806,049	3,066,963	3,269,456
Amortization		1,362,743	1,579,027	1,242,660
Accretion		-	409,101	613,652
Security		1,161,840	1,254,557	1,110,507
Taxes, City of Victoria		856,960	933,943	840,200
Special exhibitions	9	1,800,000	2,221,096	2,289,834
Systems and telecommunications		1,208,372	1,459,892	1,336,289
Professional services		1,720,084	1,991,653	1,543,833
Materials and supplies		1,337,445	886,627	1,321,859
Cost of goods sold		1,230,973	1,092,184	1,063,864
Offsite storage		1,516,960	1,490,059	1,481,183
Marketing and communications		718,306	368,890	398,070
Office and business		313,107	299,034	587,710
Insurance		608,850	754,724	579,655
Travel		200,000	252,884	357,031
Bank charges		257,500	189,776	172,877
Collections and artifacts		-	159,545	155,483
Other		150,000	65,393	139,259
		33,903,429	35,952,074	34,520,397
Annual Operating Surplus/(Deficit)		(5,452,297)	4,925,515	1,593,534
Accumulated Surplus, beginning of year			19,125,140	17,531,606
Accumulated Surplus, end of year	12		\$ 24,050,655	\$ 19,125,140

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CHANGE IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2025

	2025 Budget (Note 17)	2025	2024
Annual Operating Surplus	\$ (5,452,297)	\$ 4,925,515	\$ 1,593,534
Acquisition of tangible capital assets	-	(90,355,460)	(47,868,112)
Amortization of tangible capital assets	1,362,743	1,579,027	1,242,660
	(4,089,554)	(83,850,918)	(45,031,918)
Acquisition of prepaid expense	-	(1,350,235)	(1,628,767)
Use of prepaid expense	-	1,752,219	1,512,607
	-	401,983	(116,160)
(Increase) decrease in net debt	(4,089,554)	(83,448,935)	(45,148,079)
Net debt, beginning of year	(84,620,630)	(84,620,630)	(39,472,551)
Net debt, end of year	(88,710,184)	(168,069,565)	(84,620,630)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual Operating Surplus (Deficit)	\$ 4,925,515	\$ 1,593,534
Items not affecting cash:		
Write off of other assets	-	-
Amortization	1,579,027	1,242,660
Accretion	409,101	613,652
Amortization of deferred capital contributions	(1,044,784)	(775,871)
Write-down of tangible capital assets	-	-
Changes in operating working capital:		
Accounts receivable	2,586,882	(5,181,186)
Inventory	(57,574)	(5,586)
Prepaid expenses	401,984	(116,160)
Accounts payable and accrued liabilities	6,079,931	5,117,637
Leave liability	16,496	112,310
Proceeds on deaccession	(4,657,842)	-
Deferred revenue	(37,723)	32,148
Cash provided by or (used in) operating activities	10,201,011	2,633,136
CAPITAL ACTIVITIES		
Cash used to purchase tangible capital assets	(90,355,460)	(47,868,112)
Cash received for the acquisition of tangible capital assets (excluding land)	81,638,380	43,596,860
Restricted cash	4,657,842	-
Cash from (used for) investing activities	(8,717,080)	(4,271,252)
Increase (decrease) in cash and cash equivalents	1,483,932	(1,638,115)
Cash and cash equivalents, beginning of year	2,942,414	4,580,529
Cash and cash equivalents, end of year	4,426,346	2,942,414

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

1. Nature of Operations

The Royal British Columbia Museum Corporation (the "Corporation") was formed on April 1, 2003 under the *Museum Act*. The Corporation is wholly owned by the Province of British Columbia, and reports to the Legislative Assembly through the Minister of Tourism, Arts and Culture. As a provincial crown agency, the Corporation is subject to legislative regulations in government reporting Acts which include the *Budget Transparency and Accountability Act* and the *Financial Administration Act*.

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

The Corporation is exempt from taxes under the *Income Tax Act*.

2. Summary of Significant Accounting Policies

Significant accounting policies used in the preparation of these financial statements are:

(a) Basis of accounting

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

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term deposits that are readily convertible to cash and subject to an insignificant risk of change in value. Cash equivalents are investments in term deposits that are valued at their carrying value plus accrued interest. The carrying amounts approximate fair value as they have maturities at the date of purchase of less than ninety days. Cash includes cash on hand and balances held in Canadian bank accounts.

(c) Financial instruments

Financial instruments are accounted for in accordance with the Public Sector Accounting standards 3450. The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, restricted cash, 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, 2025

2. Significant accounting policies (continued):

(d) Employee future benefits

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the Public Sector Pension Plans Act.

i. Pension benefits

All eligible employees participate in a multi-employer, defined benefit pension plan. Defined contribution plan accounting has been applied to this plan as the Corporation has insufficient information to apply defined benefit plan accounting. Accordingly, the Corporation's contributions are expensed in the year in which the services are rendered and represent its total pension obligation (see note 15).

ii. Other future benefits

Eligible employees are entitled to post-employment health care and other benefits as provided under the terms of employment or collective agreements. The cost of these benefits is accrued as employees render the services necessary to earn them.

iii. Leave Liability

Eligible employees are entitled to accumulated earned, unused vacation and other eligible leave entitlements as provided under terms of employment or collective agreements. A liability is recognized as an event that obligates the Corporation to pay benefits for unused leaves occurs.

(e) Inventories held for sale

Inventories held for sale, comprised of gift shop merchandise and concession product, are recorded at the lower of weighted average cost or net realizable value. Costs include the purchase price plus shipping and other applicable costs. Net realizable value is the estimated selling price less any costs to sell.

(f) Deferred revenue

Deferred revenue includes restricted funds related to grants for operating projects, future gallery rental deposits, advance admission sales, annual passes, memberships and unredeemed gift cards. Amounts received in advance of rental events are recorded as being deferred until event completion. Amounts received in advance for admission and gift cards are recorded when admission occurs. Amounts received in advance for annual passes and memberships are recorded as revenue on a straight-line basis over the pass and membership term.

(g) Deferred capital contributions

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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. Significant accounting policies (continued):

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 4.

(h) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Asset costs are amortized on a straight-line basis over their estimated useful lives as follows:

- Buildings and improvements up to 40 years
- Permanent exhibitions up to 10 years
- Computer hardware and software up to 10 years
- Operating equipment 5 - 15 years
- Vehicles 3 years
- Furniture 5 years

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

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

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

(i) Prepaid expenses

Prepaid expenses include insurance and exhibition fees and are charged to expenses 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 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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. Significant accounting policies (continued):

transfers received related to depreciable tangible capital assets, received for capital contributions as described in Note 2(g).

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 are 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 governments are recognized as revenue in the period in which the resources are used for the purpose or purposes specified, in accordance with the terms of the funding agreement. An externally restricted inflow received before this criterion has been met is recorded as a liability until the resources are used for the purpose or purposes specified, with an exception for grants received to acquire depreciable capital assets.

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

(l) Expenses

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

(m) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Estimates included in these financial statements are accrued assets and liabilities, collectability of accounts receivable, leave liability, asset retirement obligations and estimated useful life of tangible capital assets. In addition, the Corporation's implementation of PS 3280 *Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the expected retirement costs, including the timing and duration of these retirement costs.

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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

2. Significant accounting policies (continued):

(n) Asset Retirement Obligations (ARO)

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

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transactions or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

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

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

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

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

3. Cash and Cash Equivalents

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

	2025	2024
Cash	\$ 4,390,761	\$ 2,911,914
Deaccession Funds	4,657,842	-
Cash equivalents	35,585	30,500
Total Cash and Cash Equivalents	\$ 9,084,188	\$ 2,942,414

Deaccessioning revenue was generated from the sale of items in the collection that were not culturally significant to British Columbia. In alignment with International Council of Museums (ICOM) Code of Ethics for Museums these funds have been internally restricted by RBCM, intended to be applied only to ICOM identified appropriate uses which are limited to collections care and new acquisitions.

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:

	2025 Increase/ (Decrease)	2024 Increase/ (Decrease)
Statement of Financial Position		
Deferred capital contributions	\$ (148,157,937)	\$ (67,564,340)
Deferred revenue	-	(63,764)
Accumulated surplus	\$ 148,157,937	\$ 67,628,104
Statement of Operations and Accumulated Surplus		
Amortization of deferred capital contributions	\$ (1,044,784)	\$ (775,871)
Annual operating (surplus) deficit	\$ (1,044,784)	\$ (775,871)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

5. Accounts Receivable

	Balance at March 31, 2025	Balance at March 31, 2024
Provincial	\$ 7,410,219	\$ 10,565,460
Federal	652,960	365,738
Other	334,716	53,580
Total	\$ 8,397,896	\$ 10,984,778

6. Accounts Payable and Accrued Liabilities

	2025	2024
Provincial Government	\$ 18,216,769	\$ 13,787,557
Federal Government	-	-
Other	7,481,463	5,830,744
Total	\$ 25,698,233	\$ 19,618,301

7. Deferred Revenue

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

	Balance at March 31, 2024	Additions/ Adjustments	Recognized to revenue	Balance at March 31, 2025
<i>Restricted funds</i>				
Provincial	\$ 63,764	\$ 18,639,236	\$ (18,703,000)	\$ (0)
Federal	146,227	(33,876)	(109,157)	3,194
Other	38,004	203,106	(32,017)	209,093
<i>Unrestricted</i>				
Other	1,024,441	2,276,965	(2,278,981)	1,022,425
Total	\$ 1,272,435	\$ 21,085,431	\$ (21,123,154)	\$ 1,234,712

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

8. Deferred Capital Contributions

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

	Balance at March 31, 2024	Additions/ Transfers	Amortized	Balance at March 31, 2025
Provincial government	\$ 65,254,957	\$ 81,636,237	\$ 833,568	\$ 146,057,627
Federal government	1,794,330	-	148,177	1,646,151
Other	515,054	2,144	63,039	454,159
Total	\$ 67,564,340	\$ 81,638,381	\$ 1,044,784	\$ 148,157,937

9. Special Exhibitions

The Corporation hosts temporary exhibitions to provide a window on the world and to encourage repeat visitation. Costs allocated to special exhibitions are those additional costs which are directly incurred to host and display the exhibition. Materials and supplies include exhibition loan fees where applicable. In the fiscal year 2025 Stonehenge was hosted from May through to January 5. Wildlife Photographer is being hosted from February 14, 2025, through to April 27, 2025. Other costs include expenses associated with exhibits opening in the Spring and Summer 2025.

	2025	2024
Salaries and benefits	\$ -	\$ -
Professional services contracts	45,057	22,737
Marketing and communications	400,424	308,878
Materials and supplies	1,464,532	1,575,373
Other	311,083	382,845
Total	\$ 2,221,096	\$ 2,289,833

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

10 Tangible Capital Assets
a. Fiscal 2024/25

Cost	Balance at March 31, 2024	Adjustments	Additions	Balance at March 31, 2025
Land	\$ 27,613,832	\$ -	\$ -	\$ 27,613,832
Permanent exhibitions	2,136,158	-	76,700	2,212,858
Operating equipment	2,562,640	145,034	19,926	2,727,600
Hardware and software	6,182,656	-	552,569	6,735,225
Furniture	31,340	-	27,214	58,555
Buildings and improvements	82,436,325	(145,034)	89,679,052	171,970,343
Asset retirement obligation	3,049,355	-	-	3,049,355
Total	\$ 124,012,307	\$ -	\$ 90,355,460	\$ 214,367,767

Accumulated Amortization	Balance at March 31, 2024	Adjustments	Amortization	Balance at March 31, 2025
Land	\$ -	\$ -	\$ -	\$ -
Permanent exhibitions	1,110,407	-	55,123	1,165,529
Operating equipment	1,355,687	-	216,849	1,572,536
Hardware and software	3,917,361	-	514,958	4,432,319
Furniture	31,340	-	-	31,340
Buildings and improvements	11,666,940	-	792,098	12,459,038
Asset retirement obligation	3,049,355	-	-	3,049,355
Total	\$ 21,131,091	\$ -	\$ 1,579,027	\$ 22,710,118

Net Book Value	Balance at March 31, 2024	Balance at March 31, 2025
Land	\$ 27,613,832	\$ 27,613,832
Permanent exhibitions	1,025,751	1,047,328
Operating equipment	1,206,951	1,155,064
Hardware and software	2,265,295	2,302,906
Furniture	-	27,214
Buildings and improvements	70,769,385	159,511,304
Asset retirement obligation	-	-
Total	\$ 102,881,215	\$ 191,657,649

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

10. Tangible Capital Assets (Continued)

At March 31, 2025 the capital projects in progress include:

Land under development	15,103,692
Hardware and software	1,317,333
Furniture	27,214
Buildings and improvements	148,001,193
Total capital projects not placed into use	<u>164,449,432</u>

Work in progress at March 31, 2025 includes \$148 million for the Provincial Archives, Research and Collections (PARC) Campus capital project which is due to complete early 2026. Amortization of these assets, excluding land, will commence when the building is placed in to service.

For more information on asset retirement obligations see note 21.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

10 Tangible Capital Assets (Continued)

a. Fiscal 2023/24

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

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

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

10 Tangible Capital Assets (Continued)

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

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

11 Collections and Artifacts

The Corporation conducts a Collections Risk Assessment to assess the overall risk of deterioration, loss and to best plan for long-term conservation of artifacts and records. The last assessment was done in fiscal 2016. The Corporation determined as at March 31, 2016, the collections consisted of approximately 7.7 million artifacts, specimens and archival records. During the 2025 fiscal year, the Corporation de-accessioned 62 batches (2024: 19) and accessioned 99 batches (2024: 132) to its collections through the acquisition, purchase and accessioning process. The collections are valued at \$190 million for insurance purposes.

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

12 Accumulated Surplus

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

	Balance at March 31, 2024	Additions	Balance at March 31, 2025
Capital			
Unappropriated operating surplus (deficit) and investment in capital assets	\$ 22,217,482		\$ 22,217,482
Asset retirement obligation	(7,438,200)		(7,438,200)
Capital	1,173,786		1,173,786
Total capital accumulated surplus	\$ 15,953,068	\$ -	\$ 15,953,068
Operating			
IMAX adjustment	1,998,286		1,998,286
Operating	1,173,786	345,055	1,518,841
Deaccession Funds	-	4,580,460	4,580,460
Total operating accumulated surplus	\$ 3,172,072	\$ 4,925,515	\$ 8,097,587
Total accumulated surplus	\$ 19,125,140	\$ 4,925,515	\$ 24,050,655

Certain amounts are set aside in accumulated operating surplus for future obligations and purchase of capital assets.

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 admission revenues lower than anticipated.

Deaccession Funds: In accordance with the Royal BC Museum Deaccession policy, the funds from the sale of collections will be restricted to use for the acquisition, storage and preservation of the collection. Within the operation surplus for 2024/25, there is deaccession funds of \$4.5 million. These funds are restricted per policy and not available for the regular operation of the museum.

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

13 The Royal British Columbia Museum Foundation

The Foundation is an independent organization with its own Board of Directors therefore the accounts of the Foundation are presented separately and are not consolidated in these financial statements. The purposes of the Foundation are to undertake charitable activities that promote and support the aims, interests and activities of the Royal British Columbia Museum Corporation.

The Foundation has internally restricted funds of approximately \$7,852,335 (2024 - \$8,521,410), 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:

	2025	2024
Funding for non-capital projects	\$ 1,138,818	\$ 147,614
Purchases of goods and services	1,123	10,455
Total	\$ 1,139,940	\$ 158,069

As at March 31, 2025, \$173,994 is due from the Foundation to the Corporation and is included in the accounts receivable (2023: \$1,123)

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

	2025	2024
Purchases of goods and services	493	2,679
Total	\$ 493	\$ 2,679

As at March 31, 2025, \$0 is due from the Corporation to the Foundation and is included in the accounts payable (2024: \$0)

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

14 Contractual Obligations

Information Technology Support Contract

On November 1, 2017, the Corporation entered into a 5 year service agreement for the provision of helpdesk and technical infrastructure support services. The previous extension expired October 31, 2024. The Corporation extended the contract by one more year to October 31, 2025.

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

2026	393,542
Total	\$ 393,542

Security Contract

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

2026	1,332,474
2027	1,372,448
2028	1,413,621
2029	1,456,030
Total	\$ 5,574,573

Additionally, the Corporation will pay for direct security costs as incurred by the contractor for special events, late openings and other functions that require additional security services.

Lease Commitments

The Corporation has operating leases to rent warehouse and cold storage space to store and preserve artifacts expiring on April 30, 2025. Additional leased warehouse storage space was acquired for the period June 1, 2022 to May 30, 2030. Future minimum payments are as follows:

2026	760,205
2027	762,994
2028	731,777
2029	750,336
2030	764,216
2031	104,718
Total	\$ 3,874,246

The Corporation is also obligated to cover a proportion of property taxes for the lease expiring in 2031. These costs amounted to \$68,694.42 in fiscal year 2025.

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

14 Contractual Obligations (Continued)

Property Management Contract

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

2026	\$ 296,498
2027	305,393
2028	314,555
2029	323,992
Total	\$ 1,240,438

In addition, the Corporation will be invoiced at cost for property management consumables (approximately \$79,909.46 for 2025).

Janitorial Contract

The Corporation has entered into a commitment for 1-year Janitorial contract. The future anticipated payment is as follows:

2026	\$ 371,239
Total	\$ 371,239

Exhibition loan fees

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

2026	\$ 308,400
Total	\$ 308,400

Provincial Archives, Research and Collection (PARC) Campus Building Design Build Contract

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

2026	\$ 82,838,852
Total	\$ 82,838,852

ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025

15 Employee Pension Plan

The Corporation and its employees contribute to the Public Service Pension Plan, a jointly trustee pension plan. The Public Service Pension Plan Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The Public Service Pension Plan has approximately 158,000 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 of March 31, 2023, indicated a funding surplus of \$4.5 billion for basic pension benefits.

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

16 Related Party Transactions

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

17 Budget Figures

Budget figures have been provided for comparatives purposes and are from the Corporation's Fiscal 2024/25 Budget approved by the Royal BC Museum Corporation Board of Directors on February 6, 2024, 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, cash equivalents, and restricted cash are held with financially sound Canadian institutions and as such liquidity risk is not significant.

Credit Risk: Receivable balances consist primarily of trade receivables. At the financial statement date, less than 1% of the non-provincial accounts receivable balance is past due and none is considered to be impaired. As such the Corporation is not exposed to significant credit risk.

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

**ROYAL BRITISH COLUMBIA MUSEUM CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2025**

19 Statement of Remeasurement Gains and Losses

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

20 Economic Dependence

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

21 Asset Retirement Obligations

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

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

In the current year a further projected cost escalation to March 31,2025 was recognized of \$409,101. (2024: \$613,652)

The following table provides details of the ARO liability in fiscal 2024/25:

	2025	2024
Opening balance - ARO liability	\$ 9,558,087	\$ 8,944,435
Accretion expense	409,101	613,652
Closing balance - ARO liability	\$ 9,967,188	\$ 9,558,087