



2012-13

ANNUAL REPORT



The Rooms

Newfoundland & Labrador



TICKERSON

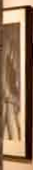


TABLE of CONTENTS

A MESSAGE FROM THE CHAIR of the BOARD of DIRECTORS	1
OVERVIEW of the CORPORATION	2
SHARED COMMITMENTS	4
HIGHLIGHTS & ACCOMPLISHMENTS	7
OUTCOMES of OBJECTIVES	11
OPPORTUNITIES and CHALLENGES AHEAD	23
BOARD of DIRECTORS	24
APPENDICIES	
FINANCIAL STATEMENTS	23



The Board is pleased to report that the one year indicators for 2012-13 have all been achieved.

TOMFORAN

*Chair, Board of Directors,
The Rooms Corporation of Newfoundland and Labrador*

A MESSAGE from the CHAIR OF THE BOARD OF DIRECTORS

As Chair of the Board, The Rooms Corporation Board of Directors, I am pleased to present the 2012-13 Annual Report of The Rooms Corporation of Newfoundland and Labrador.

The 2012-13 Annual Report presents the outcomes for year two of The Rooms Strategic Plan 2011-14. We are pleased with the Corporation's success in achieving its stated goals and objectives for this past year, bringing it closer to realizing its three-year Priorities and Goals as identified in its strategic plan. These include:

- Enhanced Cultural Facilities*
- Improved Access*
- Improved Community Engagement*
- Expanded Risk Management*

As stated in The Rooms Act, section 4, the objects of the corporation are to:

- a) Collect, preserve, present and make available for research the historic artifacts, natural history specimens and archival records that represent and illustrate the significant history, culture and natural heritage of the province;*
- b) Conduct research with respect to the history, natural history, culture and heritage of the province for the purposes of paragraph (a);*
- c) Collect and present provincial, national and international contemporary and historic art;*
- d) Advance and promote the works of contemporary visual artists of the province;*
- e) Support the development of cultural industries in the province;*
- f) Strengthen the culture of the province; and*
- g) Provide and enhance client services and partnerships to promote the cultural collections of the province and to show other national and international collections.*

The 2012-13 Annual Report is submitted in accordance with government's commitment to accountability. It has been reviewed and approved by the Board of Directors which is accountable for The Rooms Corporation's actual results reported from April 1, 2012 to March 31, 2013.



Tom Foran

Chair, Board of Directors,
The Rooms Corporation of Newfoundland and Labrador

OVERVIEW of the CORPORATION

A – Vision

The Rooms Corporation is an innovative, culturally relevant institution that represents and showcases Newfoundland and Labrador to itself and to the world, and brings the wider world to its doorstep.

B – Mission Statement

The Board of Directors believes that as a public institution The Rooms Corporation must provide great value to all Newfoundlanders and Labradorians. The care, exhibition, and access to the priceless artifacts, artworks and documents belonging to the people of the Province; outreach beyond St. John's; and, the focus on educational programming to deepen the pride and identity of all Newfoundlanders and Labradorians, together form the foundation of The Rooms Corporation's Mission Statement.

By March 31, 2017, The Rooms will have further engaged the public through thought-provoking exhibits and programs which will reflect the interests, aspirations and concerns of the people of our Province.

Measure:

The public has been further engaged

Mission Indicators:

- Community consultation is carried out to discover the most appropriate ways to attract and engage visitors
- Guidelines and criteria are developed to guide the institution in the strategic development of programs and exhibitions which are socially and culturally relevant
- Programs and exhibits are designed and delivered incorporating creative ways of engaging the public in socially relevant issues
- Appropriate evaluation methods for exhibitions and programming are developed and implemented to determine their degree of social and cultural relevance
- Enhanced regional programming

This mission statement identifies the priority areas of the Board of Directors over the planning cycle ending March 31, 2013. It represents the key longer-term results that the Board, Management and Staff will seek to achieve as

The Rooms Corporation delivers on its Mission Statement up to March 31st, 2017. The statement also identifies the measures and indicators that will assist the Corporation, Government, and public in monitoring and evaluating its success. This mission statement also supports the strategic directions of the Government of Newfoundland and Labrador including (as detailed in Appendix 2):

- Preserve and Safeguard Tangible and Intangible Heritage
- Strengthen Cultural Sector Partnership and Support

C – Lines of Business

The Rooms counts The Rooms Provincial Archives, Art Gallery and Museum among its divisions, all of which are responsible for collections development, collections management and programming in their respective disciplines. While these divisions develop their own programs from year to year, The Rooms also undertakes the development of multi-disciplinary public and education programs which draw their content from all three of these programming divisions.

- The Rooms acquires, preserves, presents and makes available for research the historic artifacts, natural history specimens and archival records that represent and illustrate the significant history, culture and natural heritage of the Province.
- The Rooms collects and presents provincial, national and international contemporary and historic art; is the Province's steward of archival records and a co-facilitator of Information Management initiatives, and serves to inform, present and interpret the Province's history.
- The Rooms is an important education and outreach vehicle, aiming to provide access to its collections through education programs, traveling exhibits, Regional Museums, virtual access, workshops, and residency programs.
- The Rooms is responsible for collections security, research, maintenance and preservation to safeguard the provincial memory, history and culture.
- The Rooms provides support to professional constituencies in the archival, visual arts and museum fields.

Gift Shop Sales for 2012-13 were \$264,625, an increase in sales of approximately 13.5% or \$31,495. Gift Shop Sales for 2011-12 were \$233,130.

D – Number of Employees

The Rooms employs 59 full-time permanent staff including seven permanent seasonal staff to operate The Rooms Regional Museums. The gender breakdown is 35 females and 24 males. These positions are funded by The Rooms operating grant from the Government of Newfoundland and Labrador and from additional sources of revenue. The Rooms also employs a number of part-time staff on an annual basis to cover admissions- and- visitor services in its various operations, and the Archives reference room at The Rooms.

E – Physical Location

The Rooms is located in St. John's, with regional facilities located in Grand Falls-Windsor (Mary March Provincial Museum and Loggers' Life), Grand Bank (Provincial Seamen's Museum) and North West River (Labrador Interpretation Centre).

F – Other Key Statistics

Visitation at The Rooms

The Rooms had a total of 80,119 visits in 2012-13, versus 75,739 during 2011-12. From April 1st, 2012 until March 31st, 2013, 447 new annual memberships were purchased. Beyond the many exhibits and programs offered by the Archives, Art Gallery, and Museum Divisions during the year, the programs of the Education and Public Programming Unit have continued to drive visitation at The Rooms. This year the unit introduced two new public programs to complement their current programming offering.

Guided Interpreted Tours of Black Ice: David Blackwood Prints of Newfoundland took place every Wednesday and Sunday afternoon from June to September. Content for the interpreted tours was developed by the Education and Public Programming unit in consultation with the Art Gallery staff and David Blackwood. The response from the public to these tours has been extremely positive, reinforcing the value of human interaction in public programming for exhibitions.

In addition to the guided tours, Nature Nooks were added to The Rooms public programming this past year. This initiative was offered in partnership with Nature NL volunteers who shared their knowledge of natural history in an informal setting. The program was offered on select Sunday afternoons and weekdays during Easter break. The response to the program was excellent, with over 80 participants each. Existing programs returned and were met with great success; the Easter Week Family Fun Favourites program continued to be popular, with over 400 people participating during the four days the program was offered. In 2012-13, The Rooms offered three new programs for summer camp groups which were better focused for the participants. The programs for camp groups were designed to provide camps with a more structured experience, while allowing the campers to explore our exhibitions. During the past summer 20 programs were delivered to approximately 420 children, compared to 14 programs to approximately 210 children during the previous summer. Lastly The Rooms was a key partner in the national cultural awareness initiative, Culture Days. Attendance at The Rooms over the Culture Days weekend was an estimated 1,900 people, a significant increase from just over 1,000 people in 2011.

The Rooms Gift Shop

Gift Shop Sales for 2012-13 were \$264,625, an increase in sales of approximately 13.5% or \$31,495. Gift Shop Sales for 2011-12 were \$233,130.

SHARED COMMITMENTS

The Rooms carries out its mandate in association with various parties including funding agencies, government departments and professional associations. During 2012-13, The Rooms worked in association with:

Department of Tourism, Culture and Recreation

As a Category I Crown Corporation of the Government of Newfoundland and Labrador, The Rooms Corporation is accountable to the Minister of Tourism, Culture and Recreation, through The Rooms Corporation Board of Directors. Operating funding from The Department of Tourism, Culture and Recreation sustains the operations of The Rooms each year. Through its annual work plans, programs and services, The Rooms Corporation supports the Government of Newfoundland and Labrador's Strategic Directions including:

- Preserving and safeguarding tangible and intangible heritage
- Strengthening cultural sector partnership and support
- Strengthening public-private partnership in tourism

The Rooms Corporation also works closely with the Department of Tourism, Culture and Recreation on a number of shared commitments including the Art Bank Program of the Government of Newfoundland and Labrador and the project management of the development of the Colonial Building Exhibition project.

Department of Education, K-12, Cultural Connections Program

The Department of Education and the Department of Tourism, Culture and Recreation joined together to develop a provincial fine arts and cultural strategy for K-12 education in Newfoundland and Labrador - Cultural Connections. This initiative aims to increase the presence of cultural content in the school curriculum and foster links between the arts and school communities. Through this program The Rooms has worked closely with the Department of Education on the development of curriculum linked projects for delivery at The Rooms. A member of The Rooms Education and Public Programming Unit sits on the Cultural Connections Committee and the Newfoundland and Labrador Heritage Fairs Advisory Committee to assist with the delivery of heritage based projects. The Rooms also provides education programs based on its exhibits which are linked to the social studies, visual art and language art curriculum and assist with teaching and learning outcomes. Over 6,000 students from within the K-12 school system participated in curriculum-linked education programs at The Rooms in the 2012-2013 school year.

During 2012-13, The Rooms assisted with coordination and delivery of the Sharing Our Cultures program. Sharing Our Cultures is a unique educational and multicultural fair that engages newcomer high school students from diverse cultural backgrounds to present aspects of their culture at a public forum held at The Rooms in March. During the two days of the school program, close to 1200 Grade 6 students interacted with newcomer youth and to participate in activities designed to complement their Grade 6 Social Studies curriculum.

Department of Environment and Conservation, Natural Heritage Branch – Wildlife, and Parks and Natural Areas Divisions:

The Department of Environment and Conservation's Wildlife Division is responsible for managing and conserving Newfoundland and Labrador's biodiversity and wildlife resources for the benefit of present and future generations, while its Parks and Natural Areas Division is the provincial body responsible for the creation and maintenance of "protected areas" to help ensure the survival of the province's natural heritage. The Rooms Provincial Museum Division and the Natural Heritage Branch hence share a commitment towards the study and preservation of biodiversity. The divisions collaborate regularly on the documentation and interpretation of the natural heritage of the province.



Department of Natural Resources, Mines Branch – Geological Survey Division

The Geological Survey Division is responsible for the collection, storage and publication of geoscience data through field surveys and from industry assessment reports. It also sees to the promotion of the province's mineral potential to the exploration and mining industries. A memorandum of agreement between The Rooms Provincial Museum Division and the Geological Survey Division provides a cooperative framework for the storage and curation of, and public access to, paleontological material collected by the Province.

Department of Canadian Heritage

Canadian Heritage is responsible for national policies and programs that promote Canadian content, foster cultural participation, active citizenship and participation in Canada's civic life, and strengthen connections among Canadians.

In 2012-13, The Rooms, in partnership with the Art Gallery of Nova Scotia, was approved for a grant of \$301,100 from the Museums Assistance Program of the Department of Canadian Heritage to support the development of the nationally touring exhibition Mary Pratt.

During 2012-13, The Rooms Provincial Archives Division received funds via the Canadian Heritage Young Canada Works in Heritage Institutions program to hire a researcher to assist with records description.

Canada Council for the Arts

The Canada Council for the Arts, reporting to Parliament through the Minister of Canadian Heritage, is a national arm's-length agency which fosters the development of the arts in Canada through grants, services and awards to professional Canadian artists and arts organizations, as well as administering scholarly awards.

Toronto Dominion Bank Scholar Program

In 2012-2013, The Rooms Provincial Archives once again partnered with the Toronto Dominion Canada Trust Summer Employment Program to receive approximately \$7000 in funding to hire a post-secondary student on a summer-long work term. The student hired, Mr. Anthony Maher is a Rhodes Scholar from Newfoundland and Labrador and was engaged in a variety of archival projects ranging from reference to description during his work term in summer 2012.



HIGHLIGHTS and ACCOMPLISHMENTS



HIGHLIGHTS and ACCOMPLISHMENTS

The following is a summary of the Highlights & Accomplishments of The Rooms which have taken place in the past year. This list is in no way exhaustive or limited to those outlined here.

- In 2012, Chevron Canada renewed its commitment to The Chevron Open Minds at The Rooms program through a \$510,000 sponsorship agreement, an increase of \$135,000 since its first three-year commitment in 2009. This renewed commitment will continue to fund the program up to the end of 2014/2015 school year. The Chevron Open Minds at The Rooms program provides teachers with the opportunity to move their classroom to The Rooms for a full week. Students participate in a curriculum-based, multi-disciplinary program developed by their teacher in consultation with the project coordinator. Twenty-four classes involving over 520 students participated during the 2012-13 school year.

In addition to a continuation of the funding agreement, Chevron Canada (in partnership with The Rooms) and Memorial University's Faculty of Education agreed to undertake a research project investigating the impact of the Open Minds program on participating students and teachers. Data collection from current and past participants (teachers, students, parents) began this past fall, in consultation with Stephanie Rowe Slaney, the Chevron Open Minds at The Rooms Project Coordinator.

- The Rooms Provincial Archives Reference Room registered its 25,000 researcher and responded to over 12,000 research inquiries received via in-person visits, email, postal mail, etc. This included 9779 individual on-site visits to the Archives Reference Room and the Archives also registered 1618 new researchers from across the province, country and worldwide.
- In partnership with the Mummerys Festival, The Rooms hosted the 4th annual Mummerys Parade concert with over 1,400 participants, almost double the participants since the first parade took place in 2009.

- During 2012-13, the Husky Energy and Elinor Gill Ratcliffe galleries were substantially complete. This marked the final year of the 3-year exhibition development project to see two new museum exhibitions, a total of 7,000 square feet, open in Summer 2013. In the course of this past year, the Design Concept and Interpretive Plan for both galleries were finalized. Construction within the galleries to update infrastructure components was completed and the fabrication of exhibition components was completed and prepared for shipping. Also, an advisory committee, comprised of guest curators from each of the Aboriginal communities (Innu, Inuit, Southern Inuit and Mi'kmaq) and curators from The Rooms worked together to ensure the inclusion of accurate and relevant content for the Husky Energy Gallery exhibition.
- In continuing its community consultation efforts, The Rooms held a Public Open House presenting its Site Development Plan for review and feedback from the local community. This presentation, conducted by Chair of the Site Development Advisory Jim Case, detailed plans for improvements to the grounds and enhanced public access. Several presentations were also held with members of the local neighborhood who were unable to attend the open house. Feedback forms were provided to the public during these sessions and made available throughout The Rooms during its facility. Feedback for the plan was overwhelmingly positive allowing The Rooms to implement the existing Site Development Plan without further revision.



EXHIBITION TOUR – Black ICE : David Blackwood's Prints of Newfoundland





OUTCOMES of OBJECTIVES



Enhanced Cultural Facilities

The Rooms and its Regional Museums are custodians of the province's collections which tell the story of Newfoundland and Labrador through archival records, art and artifacts. Site improvement projects for The Rooms and its Regional Museums have increased public access, augmented the capacity to exhibit collections and have improved the quality of programming related to these collections.

The Rooms Strategic Plan Priority 1 is consistent with the Government of Newfoundland and Labrador's Strategic Direction 1 to *Preserve and Safeguard Tangible and Intangible Heritage in order to maximize their impact on sustainable tourism and community development.*

2011-14

GOAL: By March 31, 2014, The Rooms Corporation will have enhanced its infrastructure and program capacity to broaden the cultural experience of visitors.

MEASURE:

Enhanced infrastructure and program capacity

INDICATORS:

- Level IV exhibit is opened to the public
- Site Development Plan and Phased Implementation Strategy completed
- Regional Museum programming is enhanced

2012-13

OBJECTIVE: By March 31, 2013, The Rooms Corporation will have further improved its cultural infrastructure.

MEASURE:

Implemented site improvement projects

INDICATORS:

- Details of the Design Concept and Interpretive Plan for the Husky Energy Gallery and the Elinor Gill Ratcliffe Gallery have been finalized and construction substantially completed.
- Work to further define elements of the Site Development Plan and Phased Implementation Strategy has been completed.
- One exhibition from each of The Rooms programming divisions (archives, art gallery and museum) has been circulated to the Regional Museums.
- Options for development of Level 0 which included archaeological remains of Fort Townshend have been explored.

RESULTS AND BENEFITS:

- In November 2012, the Design Concept and Interpretive Plan for both the Husky Energy Gallery and the Elinor Gill Ratcliffe Gallery were finalized. Construction within the galleries to update infrastructure components was completed. Fabrication of exhibition components was completed and prepared for shipping.
- The Site Development Plan and Phased Implementation Strategy was completed ahead of schedule, approved by The Rooms Corporation Board of Directors, and reported in 2011-12. In March 2013, The Rooms held a Public Open House presenting the Site Development Plan for review and feedback from the local community. Several presentations were also held with members of the local neighborhood who were unable to attend the open house. Feedback forms were provided to the public

during these sessions and afterwards were available at The Rooms Visitor Services desk. Feedback for the plan was overwhelmingly positive allowing The Rooms to implement the existing Site Development Plan without further revision.

- Travelling exhibitions from The Rooms programming divisions (archives, art gallery and museum) were presented at each of the Regional Museums during 2012-13 and were seen by a total of 10,543 visitors, including 107 school groups consisting of 2,490 students. The exhibitions presented were as follows:
 - The Labrador Interpretation Centre presented *Coastal Women in Newfoundland and Labrador*, an exhibition of historic photographs presented in cooperation with The Rooms Provincial Archives Division. In addition, *Inner Works: North*, an exhibition of works of art from Labrador and Nunavut presented in cooperation with The Rooms Provincial Art Gallery Division, was also exhibited from May 27, 2012 to May 26, 2013.
 - The Provincial Seamen's Museum in Grand Bank presented *Here to Stay: Cupids 1610*, an exhibition of artifacts and natural history specimens presented in cooperation with The Rooms Provincial Museum Division, from April 21 to October 10, 2012.
 - The Mary March Provincial Museum presented *25 for 25: A Celebration of the Provincial Art Bank's 25 years of collecting* in cooperation with The Rooms Provincial Art Gallery Division, from April 21 to October 10, 2012.
- During 2012-13, The Rooms employed the services of Stantec, an international architectural and design firm, to investigate the scope of work and order of magnitude costs to excavate Level 0 and offer interpretation of Fort Townshed and possible complementary exhibitions. Stantec presented its report to The Rooms detailing order of magnitude costs and possible uses of the space.

2013-14

OBJECTIVE: By March 31, 2014, The Rooms Corporation will have finalized improvements to its infrastructure

MEASURE:

By March 31, 2014, The Rooms Corporation will have finalized improvements to its infrastructure

INDICATORS

- All work associated with exhibition construction, design and interpretative plan for the Husky Energy and Einor Gill Ratcliffe Galleries will be completed and exhibitions opened to the public
- Phase I of the Site Development Plan will have been completed with construction commencing in Spring/Summer 2013 and completed in Fall 2013.
- Several exhibitions from The Rooms programming divisions (archives, art gallery and museum) will have been circulated to the Regional Museums and providing access to new items and enhancing the cultural experience of visitors at each of the sites. Specific exhibitions to travel include:
 - Mary March Provincial Museum will present the *R.M.S. Titanic: Relics of Disaster; The Newfoundland Sealing Disaster; and Broken Coins and Paper Promises* exhibitions
 - Provincial Seamen's Museum will present the archival exhibit *Coastal Women of Pre-Confederation Newfoundland and Labrador*
 - Labrador Interpretation Centre will present the *25 for 25* exhibition

PRIORITY 2

Improved Access

To further engage the public it is necessary for The Rooms Corporation (including its Regional Museums) to improve outreach to the communities of the Province and access to the collections. The Rooms Corporation must incorporate more opportunities for the public to access its collections within the institutions and virtually through the use of its website. Dedicated galleries were refreshed annually to allow for circulation of the public collections, expanded gallery space enabled more of its collections to be exhibited and a comprehensive plan to increase The Rooms web presence was developed.

The Rooms Strategic Plan Priority 1 is consistent with the Government of Newfoundland and Labrador's Strategic Direction 1 to *Preserve and Safeguard Tangible and Intangible Heritage in order to maximize their impact on sustainable tourism and community development.*

2011-14

GOAL: BY MARCH 31, 2014, THE ROOMS CORPORATION WILL HAVE IMPROVED ACCESS TO COLLECTIONS.

MEASURE:

Improved access to collections

INDICATORS:

- 5,000 square feet of new permanent collections-based exhibit space developed
- 15,000 new collections records made available on-line
- Inner Works permanent collection exhibition refreshed annually
- Developed a comprehensive plan to increase The Rooms web presence

2012-13

OBJECTIVE: By March 31, 2013, The Rooms Corporation will have implemented additional improvements to enhance access.

MEASURE:

Additional items from the collections identified and made publicly available

INDICATORS:

- More than 5,000 archival collections records have been made available on-line, bringing the total to 10,000 records available.
- Inner works exhibition was refreshed to highlight different examples of artwork from the Province's collections.
- A new acquisitions exhibition was planned and developed for presentation during Summer 2013.
- Artifacts identified for inclusion in the Husky Energy and Elinor Ratcliffe Galleries have been conserved in preparation for opening Summer 2013.
- Options and budget implications for enhancing The Rooms web presence have been explored.

RESULTS AND BENEFITS:

- During 2012-2013, 6,765 entries were added to the Archives Divisions' on-line database of archival descriptions and records. These are now available to the public via the on-line searchable database of archival records accessible via The Rooms website (www.therooms.ca/archives). For the second year in a row, the total number of descriptions completed and added exceeded the annual target of 5000 and again, the records selected included a wide variety of formats such as textual records, photographs, maps, charts and other media.

Representing government records collections and non-government records alike, each record included was selected based on provincial significance and archival value to researchers. Also included with descriptive information about records and collections whenever possible, were digital scans of the actual records. This allows those researchers who are unable to physically visit The Rooms in-person, to view original archival material and information about collections on-line and at their own convenience.

- *Inner Works* exhibition refreshed to highlight Royal Canadian Academy member work such as Tara Bryan, Ron Bolt, Marlene Creates, Don Foulds, Pam Hall, Thaddeus Holownia, Marlene MacCallum, Mike Massie, Robert Mellin, as well as new acquisitions of Zeke Morres works to the permanent collection.
- *Natural Selection: An Evolving Idea of Canadian Landscape* exhibition highlighting new acquisitions to the permanent collection was planned and prepared for opening Summer 2013. The planning of the exhibition included selection of the John Hartman paintings and a number of works from The Edwin R. Procnier Collection. The exhibition layout and lighting was prepared along with the decisions to include any other work to complete the exhibition.
- Over 1,800 items were identified for inclusion in the Husky Energy and Elinor Gill Ratcliffe Galleries. Three conservators (two from The Rooms Provincial Museum Division and one from The Rooms Provincial Archives Division) worked on conserving these artifacts, art works and archival materials. Some of this work was undertaken in front of the public in the temporary exhibition *Working on History: Watching Our Stories Unfold*. Pieces requiring more specialized work were treated in the conservation labs. Conservation work on this material was completed by March 31, 2013.
- To carry out a thorough review of The Rooms web presence, during 2012-13 three staff of the Marketing and Development Division completed certificates of E-Marketing and Social Media Marketing to ensure the adequate skill set was available. As part of this training, a thorough review of The Rooms web presence was conducted which identified several areas of improvement for The Rooms website as well as potential areas of growth including continued use and growth of social media platforms. Recommendations for improving the web presence, including mobile optimization of the website, were explored as well as associated budget implications. In addition to determining the budget impacts, a resource gap analysis was also undertaken which identified that The Rooms lacks the necessary skill set in-house to carry out the work to improve its web presence and that additional funds will be needed to hire an external firm and/or individual to carry out the work.

2013-14

OBJECTIVE: By March 31, 2014, The Rooms Corporation will have further implemented improvements to enhance access.

MEASURE:

Further improvements to enhance access implemented

INDICATORS

- The combined 7,000 sq. ft. of new permanent collections-based exhibit space (Husky Energy and Elinor Gill Ratcliffe galleries) will have been completed and opened to the public making upwards thousands of new artifacts available to the public.
- *Inner Works* exhibition will have been refreshed replacing artwork on display with works which focus on print making in Newfoundland and Labrador thereby making new works accessible.
- A comprehensive plan including recommendations, budget implications and human resources required to enhance The Rooms web presence will have been completed, identifying areas which will allow users to access collections based information on the web.

Improved Community Engagement

To achieve its Vision as an innovative, culturally relevant institution, it is important for The Rooms to continue improving how it engages the community. As a publicly-funded cultural institution, The Rooms must remain relevant to the community it serves. In an effort to further attract and engage the public, The Rooms Corporation consulted with the greater community and developed an evaluation process to better understand what is of interest to the public and how to reflect this in its exhibitions and public programming.

The Rooms Strategic Plan Priority I is consistent with the Government of Newfoundland and Labrador's Strategic Direction I to *Preserve and Safeguard Tangible and Intangible Heritage in order to maximize their impact on sustainable tourism and community development.*

2011-14

GOAL: By March 31, 2014, The Rooms Corporation will have improved community engagement.

MEASURE:

Improved community engagement

INDICATORS:

- An Advisory Committee for the Husky Energy Gallery and the Elinor Gill Ratcliffe Gallery established and provided counsel throughout the exhibition development process
- Community Consultation for the Elinor Gill Ratcliffe Gallery exhibition content completed
- Developed a program and services evaluation process
- Developed education and/or public programs to be delivered in conjunction with Regional Museums Traveling Exhibitions
- Created opportunities to understand and engage new audiences

2012-13

OBJECTIVE: By March 31, 2013, The Rooms Corporation will have further implemented community engagement initiatives.

MEASURE:

Expand community engagement opportunities and initiatives

INDICATORS:

- Advisory Committees for the Husky Energy Gallery and Elinor Gill Ratcliffe Gallery have met on two occasions to provide ongoing counsel for the development of the exhibitions.

- Options for ongoing community consultation opportunities for the Husky Energy Gallery and the Elinor Gill Ratcliffe Gallery have been identified.
- A plan for acquiring visitor feedback regarding core services has been developed.
- A sponsorship to assist with the development and implementation of dedicated education and public programming for The Rooms Regional Museums Travelling Exhibitions has been secured.
- A public program aimed at attracting the 18-30 demographic has been developed.

RESULTS AND BENEFITS:

- Given that the Husky Energy and Elinor Gill Ratcliffe Galleries are both situated within the Level 4 museum space, a single committee (The Rooms Level 4 Exhibition Project - External Advisory Committee) was put together to provide counsel for the development of the exhibitions to be housed in the galleries. The Rooms Level 4 Exhibition Project - External Advisory Committee met three times in 2012 to provide advice on content development and exhibition design. Committee members were actively engaged in providing feedback on drafts of the information panel and interpretive content labels. As well, committee member Philip Pratt provided valuable advice on the design details of the key central structure loosely interpreted as a fishing "room".
- During the development of the exhibitions for the Husky Energy and the Elinor Gill Ratcliffe Galleries the museum decided to incorporate touch screen technology for its artifact labels. As this was a different form of labeling for The Rooms, an opportunity for community consultation was identified and the museum used the Working on History: Watching Our Stories Unfold exhibition to gain visitor feedback and satisfaction on this new technology.

A prototype digital label was installed in the exhibition area and tested during the month of July, 2012. A total of 50 evaluation forms were completed. The feedback was reviewed by the exhibition team and assisted staff and the design firm, Origin Studios, in refining both the approach to content presentation and design language for the new galleries.

Another opportunity for community consultation was identified from an inquiry from Memorial University's Folklore Department. Dr. Gerry Pocious sought assistance from The Rooms Provincial Museum Division to allow two graduate students to complete to develop and undertake a visitor observation and interview study for two components of the Museum's Level 3 Connections Gallery. One student studied the effectiveness of the artifact drawers while the other focused on reviewing the learning objectives and interactive navigation of the display kiosks. The results of these studies assisted in the development of display and interpretive approaches in the Husky Energy and the Elinor Gill Ratcliffe Galleries.

- In developing an action plan as to how best to acquire visitor feedback regarding core services offered at The Rooms, it was recognized that since its opening in 2005, significant feedback from visitors, community groups and other stakeholders centered around usage and future plans for The Rooms grounds. Throughout 2012-13, plans would be developed for The Rooms and it was recognized that this represented the most significant new service to be undertaken/offered since the opening and that feedback on this plan was critical. Therefore, an action plan was developed with the Site Development Advisory Committee as to how best to ensure adequate communication and feedback regarding this site plan. The activities outlined and undertaken by March 31st, 2013 included:
 - A public open house – The Rooms undertook significant advertising and promotion of this open house, held on free night to attract as many members of the community as possible.
 - Several presentations to select neighborhood groups, community groups and stakeholders were undertaken and feedback provided
 - A booth was erected and placed on-site at The Rooms detailing the site plan along with feedback forms for visitors to provide comments
 - An copy of the site plan presentation, FAQs and feedback form was made available on The Rooms website for additional distribution and feedback
- During 2012-13, The Rooms planned and developed its first-ever travelling exhibition from the Bata Shoe Museum titled *The Roaring Twenties: Heels, Hemlines and High Spirits*. Given the exhibition theme of changing gender roles and its expression in fashion, along with the current popular culture interest in the 1920s, The Rooms planned its public program for the 18-30 demographic around this exhibition. The Puttin'

on the Ritz at The Rooms evening of 1920s dress-up highlighting fashion and music of this era through live performances, dance lessons, special cocktail offerings a dress-up photo booth has been developed during 2012-13 for launch in 2013-14.

• **VARIANCE:**

During 2012-13, The Rooms successfully secured a \$250,000 sponsorship from BMO Financial Group for education and public programming. However, rather than dedicate these funds to develop an educational component for the Regional Museums Travelling Exhibitions program, the funds were directed towards the development of a digital labeling and digital hub infrastructure for the exhibitions housed inside the Husky Energy and Elinor Gill Ratcliffe galleries. Through the digital hubs and labeling infrastructure for these new exhibitions, 1000s of artifacts and related content, in particular aboriginal related content, would be made available to visitors, including school groups. This same information could subsequently be made available online for all school groups across the Province to access. Therefore, The Rooms felt this was a better use of the sponsorship funds as did the donor.

2013-14

OBJECTIVE: By March 31, 2014, The Rooms Corporation will have continued initiatives towards improving community engagement.

MEASURE:

Initiatives towards improving community engagement continued.

INDICATORS:

- Advisory committees for the The Husky Energy Gallery and The Elinor Gill Ratcliffe Gallery will have met and reviewed the final exhibition design and content for both galleries and will have completed their work
- Community Consultation efforts for the Elinor Gill Ratcliffe Gallery exhibition content will have been completed and exhibition opened
- The plan for acquiring feedback and review regarding core services will have been completed and a maintenance component included
- Developed education and/or public programs to be delivered in conjunction with Regional Museums Traveling Exhibitions
- A public program targeted towards the 18-30 demographic has been delivered

Expanded Risk Management

In order to engage the public in more meaningful ways, The Rooms must ensure that its collections are managed and cared for so that they are accessible and available for display to the public. To do so, policies and protocols regarding care, maintenance, and safe-guarding are critical in The Rooms ability to fully utilize its collections. As such, The Rooms reviewed its existing practices, identified and appropriately managed risks to the collections which could in turn impact upon preservation and public display.

The priority of Expanded Risk Management is also in keeping with the Government of Newfoundland and Labrador's Strategic Direction to *further enhance the strategic cultural plan and its ten directions*. Direction number six of the strategic cultural plan is *preserving and celebrating our tangible cultural heritage* which further states that *it is a given that we must preserve and celebrate these invaluable treasures*. Appropriate risk management is a must for appropriate preservation of the collections for which The Rooms is custodian.

2011-14

GOAL: By March 31, 2014, The Rooms Corporation will have expanded its capacity for risk management.

MEASURE:

Expanded capacity for risk management

INDICATORS:

- Disaster plan developed and implemented
- Security plan reviewed, updated and operationalized
- Evacuation plan reviewed, updated and operationalized
- Additional areas of risk management identified for future action

2012-13

OBJECTIVE: By March 31, 2013, The Rooms Corporation will have researched and drafted key components of risk management.

MEASURE:

Drafted key components of risk management

INDICATORS:

- A draft collections disaster plan has been researched and prepared.
- An updated Security Plan has been drafted.
- An updated Evacuation Plan has been drafted.
- Additional areas of risk management have been investigated and identified and a comprehensive risk management framework for The Rooms has been completed.

RESULTS AND BENEFITS:

- After the formation of a cross-divisional Risk Management Committee for The Rooms in 2011-2012 which successfully selected an appropriate and functional disaster-planning template to guide the formation of a Disaster Plan for The Rooms, further work occurred in this area in 2012-2013. In April 2012, the Risk Management Committee immediately began populating the selected "dPlan" template with specific information about The Rooms facility and how to protect and preserve the collections within it in the event of a collections-related disaster such as a fire, flood, etc. Areas of concentration covered by the plan include such themes as Disaster Response, Recovery, Rehabilitation of Collections, Disaster Communication and other vital areas requiring

planning and details for The Rooms Corporation in the event of a catastrophic event. In February 2013 a draft plan entitled “The Rooms Emergency Preparedness and Response Plan” was completed and presented to Rooms management for review. Final editing, approval and plan implementation for The Rooms Corporation will take place in fiscal year 2013-2014.

- The Security Plan, which was drafted during 2011-12 in consultation with BLJC (The Rooms Facilities Management Contractor) has been reviewed and updated to reflect ongoing changes. The Security Plan has been distributed widely to all staff and will continue to be an evolving document, changed and updated as necessary.
- The Evacuation Plan, which was also drafted during 2011-12, has been updated to include lock-down procedures, consistent with schools and public buildings across the province.
- During 2012-13, The Rooms Management Committee convened to review its operations, including the areas of Education and Public Programming and Technical Services to identify areas of potential risk throughout the Corporation which may not have been covered by the newly developed Collections Disaster, Security and Evacuation Plans. As a result, several new policies were developed and adopted including a Lockdown Procedure for schools and teachers visiting The Rooms; an internal Financial and Procurement Policy. Together with the Governance Policy previously adopted by The Board of Directors, these new policies form a comprehensive risk management framework for The Rooms.

- The updated Evacuation plan will have been completed and operationalized.
- The critical areas of disaster, security and evacuation planning will have been reviewed and accompanying plans for mitigation completed. Combined these plans will form the Risk Management practice for The Rooms; however, random checks and drills will be required to ensure adherence to the plan. Throughout the year, at least two random checks of the collections will be carried out to ensure security and loss prevention. Evacuation and fire drills will be held on at least two occasions as well to ensure adherence to the procedures in the plan.

2013-14

OBJECTIVE: By March 31, 2014, The Rooms Corporation will have finalized and implemented key components of risk management.

MEASURE:

Key components of risk management finalized and implemented

INDICATORS:

- The Rooms Risk Management Committee will have completed all components of the Collections Disaster Plan for review by the Management Committee and accepted as the final completed document.
- The Security plan will have been completed and approved as the final document and implemented throughout the organization by circulating to All Staff and ensuring follow-up meetings.



Concept Designs for
THE ROOMS SITE DEVELOPMENT PLAN



OPPORTUNITIES and CHALLENGES AHEAD

Community Engagement & Retention

For the 2011-14 planning cycle, significant efforts and resources were placed on enhancing community engagement with The Rooms. The result has been record high participation in all programs which The Rooms offers. An increase of 37% in school programs and public programs has been realized; the archives reference room has registered its 25,000 researcher and responded to a record number of research inquiries; and, this past year visitation reached a record 80,000. It is evident that the efforts to engage the community have had tremendous success; however, focus in the coming years must shift to retaining this level of engagement and ensuring The Rooms activities and exhibitions continue to respond to and reflect the community.

Development Opportunities

In the coming years, The Rooms has identified several exciting projects on its radar, including completion of its Site Development Plan; possible excavation of Level 0 archeology; and, perhaps most significantly, developing an exhibition to recognize the 100th Anniversary of the Beaumont Hamel and the First World War. These projects represent new and meaningful ways for The Rooms to deliver on its mandate and engage the community; however, significant resources are required to deliver on these projects. The Rooms will need to make development and revenue generation its focus for the coming years in order to secure the funding necessary to complete these projects.

BOARD of DIRECTORS

Tom Foran, Chair

Lisa Browne, Vice Chair

Jeff Pardy, Treasurer

Seamus O'Regan

Stan Hill

Dawn Baker

Kathi Stacey

Ian Patey

Beverley Butler

Zita Cobb

Mary McCarthy

Judith Hearn, Deputy Minister, Tourism,
Culture and Recreation

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
FINANCIAL STATEMENTS

31 MARCH 2013

Management's Report

Management's Responsibility for the The Rooms Corporation of Newfoundland and Labrador Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards 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 for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

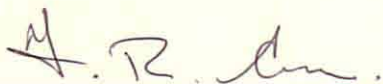
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Board in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the The Rooms Corporation of Newfoundland and Labrador.

On behalf of The Rooms Corporation of Newfoundland and Labrador.



Mr. Fred Evans
Director of Finance



Mr. Dean Brinton
Chief Executive Officer

September 23, 2013



**AUDITOR
GENERAL**
of Newfoundland and Labrador

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Members
The Rooms Corporation of
Newfoundland and Labrador
St. John's, Newfoundland and Labrador

Report on the Financial Statements

I have audited the accompanying financial statements of the The Rooms Corporation of Newfoundland and Labrador which comprise the statement of financial position as at March 31, 2013, March 31, 2012, and April 1, 2011, the statements of operations, change in net debt, and cash flows for the years 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 Canadian public sector accounting standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 auditor's 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.

Independent Auditor's Report (cont.)

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Rooms Corporation of Newfoundland and Labrador as at March 31, 2013, March 31, 2012 and April 1, 2011, and its financial performance and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'T. Paddon', with a long horizontal line extending to the right.

TERRY PADDON, CA
Auditor General

September 23, 2013
St. John's, Newfoundland and Labrador

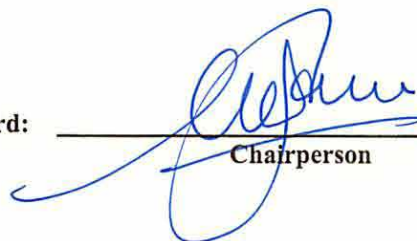
**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF FINANCIAL POSITION**

As at	March 31 2013	March 31 2012	April 1 2011
		Restated (Note 2)	Restated (Note 2)
FINANCIAL ASSETS			
Cash	\$ 2,275,860	\$ 1,827,358	\$ 1,865,621
Accounts receivable (Note 4)	817,442	205,700	292,668
Inventory held for resale	116,608	120,888	99,313
Restricted cash (Note 5)	1,459,158	2,540,501	2,165,757
	<u>4,669,068</u>	<u>4,694,447</u>	<u>4,423,359</u>
LIABILITIES			
Accounts payable and accrued liabilities (Note 6)	1,878,666	1,017,843	1,160,144
Employee future benefits (Note 8)	880,218	847,252	826,970
Deferred revenue (Note 7)	1,459,158	2,540,501	2,118,847
	<u>4,218,042</u>	<u>4,405,596</u>	<u>4,105,961</u>
Net financial assets	<u>451,026</u>	<u>288,851</u>	<u>317,398</u>
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 9)	5,190,961	4,038,399	3,455,098
	<u>5,190,961</u>	<u>4,038,399</u>	<u>3,455,098</u>
Accumulated surplus	<u>\$ 5,641,987</u>	<u>\$ 4,327,250</u>	<u>\$ 3,772,496</u>

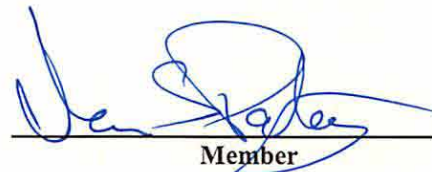
**Contractual obligations (Note 14)
Trusts (Note 13)**

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

Signed on behalf of the Board:



Chairperson



Member

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

STATEMENT OF OPERATIONS

For the Year Ended March 31

	2013 Budget	2013 Actual	2012 Actual
	(Note 17)		Restated (Note 2)
REVENUES			
Province of Newfoundland and Labrador			
Operating grants	\$ 7,119,906	\$ 7,160,430	\$ 7,441,564
Contributions to employee benefits (Note 12)	-	636,440	630,741
Donations	166,666	1,364,858	95,216
Commercial operations (Note 11)	777,867	940,660	831,974
Government of Canada	95,000	257,561	216,941
Corporate sponsorship	117,300	137,300	687,604
External funding	-	14,571	21,572
	8,276,739	10,511,820	9,925,612
EXPENSES (Schedule 1)			
Corporate services and building operations	4,374,187	4,870,770	5,479,385
Provincial archives	940,871	1,030,465	986,637
Provincial art gallery	1,023,956	1,102,080	949,210
Provincial museums	1,368,191	1,595,193	1,394,480
Education and public programs	572,502	598,575	561,146
	8,279,707	9,197,083	9,370,858
Annual operating surplus (deficit)	(2,968)	1,314,737	554,754
Accumulated surplus, beginning of year	4,327,250	4,327,250	3,772,496
Accumulated surplus, end of year	\$ 4,324,282	\$ 5,641,987	\$ 4,327,250

See accompanying notes

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2013 Budget	2013 Actual	2012 Actual
	(Note 17)		Restated (Note 2)
Annual operating surplus (deficit)	\$ (2,968)	\$ 1,314,737	\$ 554,754
Acquisition of tangible capital assets	-	(1,434,287)	(913,040)
Amortization of tangible capital assets	250,000	281,725	329,739
	250,000	(1,152,562)	(583,301)
Increase (decrease) in net financial assets	247,032	162,175	(28,547)
Net financial assets, beginning of year	288,851	288,851	317,398
Net financial assets, end of year	\$ 535,883	\$ 451,026	\$ 288,851

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

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF CASH FLOWS

For the Year Ended March 31

2013

2012

Restated
(Note 2)

Operating transactions

Annual operating surplus	\$ 1,314,737	\$ 554,754
Adjustment for non-cash items		
Amortization	281,725	329,739
Allowance for doubtful accounts	-	8,675
	1,596,462	893,168
Change in non-cash operating items		
Accounts receivable	(611,742)	78,293
Restricted cash	1,081,343	(374,744)
Inventory held for resale	4,280	(21,575)
Accounts payable and accrued liabilities	860,823	(142,301)
Employee future benefits	32,966	20,282
Deferred revenue	(1,081,343)	421,654
Cash provided from operating transactions	1,882,789	874,777
Capital transactions		
Additions to capital assets	(1,434,287)	(913,040)
Cash applied to capital transactions	(1,434,287)	(913,040)
Increase (decrease) in cash	448,502	(38,263)
Cash, beginning of year	1,827,358	1,865,621
Cash, end of year	\$ 2,275,860	\$ 1,827,358

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

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

1. Nature of operations

The Rooms Corporation of Newfoundland and Labrador (the Corporation) was established as a corporation under the *Rooms Act* on May 19, 2005. In accordance with the *Rooms Act*, the Corporation assumed title to and has been vested with all of the rights, liabilities, assets and property of The Rooms Corporation of Newfoundland and Labrador Inc. established as a corporation under the *Corporations Act* on November 18, 2002. The Corporation was established to: collect, preserve, present and make available for research, historic artifacts, natural history specimens and archival records that represent and illustrate the significant history, culture and natural heritage of the Province; conduct research with respect to the history, natural history, culture and heritage of the Province; collect and present provincial, national and international contemporary and historic art; advance and promote the works of contemporary visual artists of the Province; support the development of cultural industries in the Province; strengthen the culture of the Province; and provide and enhance client services and partnerships to promote the cultural collections of the Province and to show other national and international collections. The Corporation is an agent of the Crown. The affairs of the Corporation are governed by a Board of Directors appointed by the Lieutenant-Governor in Council. The Rooms is located in St. John's, with regional facilities located in Grand Falls-Windsor (Mary March Provincial Museum and Loggers' Life Provincial Museum), Grand Bank (Provincial Seamen's Museum), and North West River (Labrador Interpretation Centre).

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes under Section 149 (1) (d) of the *Income Tax Act*.

2. Conversion to Canadian Public Sector Accounting Standards

In accordance with recent recommendations of the Public Sector Accounting Board (PSAB), the Corporation has determined that it is an Other Government Organization within the Government Reporting Entity. Accordingly, commencing with the 2013 fiscal year, the Corporation has adopted Canadian public sector accounting standards (CPSAS). These financial statements are the first financial statements for which the Corporation has applied CPSAS. The Corporation had previously been preparing its financial statements using Canadian generally accepted accounting principles (CGAAP). The changeover became effective on April 1, 2012, with retroactive application to April 1, 2011.

In accordance with Section PS 2125 of CPSAS, *First-time Adoption by Government Organizations*, the Corporation has prepared reconciliations to enable readers to understand the effects of the changeover on its financial position and comparative results.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

2. Conversion to Canadian Public Sector Accounting Standards (cont.)

Statement of financial position reconciliation

The following tables present the reconciliation of the statement of financial position from the previous reporting framework to the current method of presentation as at March 31, 2012 and at the transition date of April 1, 2011. Certain amounts have been reclassified to conform to the presentation adopted at March 31, 2013.

Statement of financial position	Notes	CGAAP March 31, 2012	Adjustments	CPSAS March 31, 2012
FINANCIAL ASSETS				
Cash		\$ 1,827,358	\$ -	\$ 1,827,358
Accounts receivable		205,700	-	205,700
Inventory held for resale		120,888	-	120,888
Restricted cash	(a)	7,448,396	(4,907,895)	2,540,501
		9,602,342	(4,907,895)	4,694,447
LIABILITIES				
Accounts payable and accrued liabilities		1,017,843	-	1,017,843
Employee future benefits	(e)	552,585	294,667	847,252
Deferred revenue	(a)	7,448,396	(4,907,895)	2,540,501
Deferred capital contributions	(b)	3,703,873	(3,703,873)	-
		12,722,697	(8,317,101)	4,405,596
Net (debt) financial assets		\$ (3,120,355)	\$ 3,409,206	\$ 288,851
NON-FINANCIAL ASSETS				
Tangible capital assets		4,038,399	-	4,038,399
Accumulated surplus		\$ 918,044	\$ 3,409,206	\$ 4,327,250

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS

March 31, 2013

2. Conversion to Canadian Public Sector Accounting Standards (cont.)

Statement of financial position reconciliation (cont.)

<u>Statement of financial position</u>	<u>Notes</u>	<u>CGAAP</u> <u>April 1, 2011</u>	<u>Adjustments</u>	<u>CPSAS</u> <u>April 1, 2011</u>
FINANCIAL ASSETS				
Cash		\$ 1,865,621	\$ -	\$ 1,865,621
Accounts receivable		292,668	-	292,668
Inventory held for resale		99,313	-	99,313
Restricted cash	(a)	5,054,413	(2,888,656)	2,165,757
		<u>7,312,015</u>	<u>(2,888,656)</u>	<u>4,423,359</u>
LIABILITIES				
Accounts payable and accrued liabilities		1,160,144	-	1,160,144
Employee future benefits	(e)	580,740	246,230	826,970
Deferred revenue	(a)	5,007,503	(2,888,656)	2,118,847
Deferred capital contributions	(b)	3,117,343	(3,117,343)	-
		<u>9,865,730</u>	<u>(5,759,769)</u>	<u>4,105,961</u>
Net (debt) financial assets		<u>\$ (2,553,715)</u>	<u>\$ 2,871,113</u>	<u>\$ 317,398</u>
NON-FINANCIAL ASSETS				
Tangible capital assets		3,455,098	-	3,455,098
Accumulated surplus		<u>\$ 901,383</u>	<u>\$ 2,871,113</u>	<u>\$ 3,772,496</u>

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

2. Conversion to Canadian Public Sector Accounting Standards (cont.)

Statement of operations reconciliation

The following table presents the reconciliation of the statement of operations from the previous reporting framework to the current method of presentation for the year ended March 31, 2012. Certain amounts have been reclassified to conform to the presentation adopted at March 31, 2013.

Statement of operations	Notes	CGAAP March 31, 2012	Adjustments	CPSAS March 31, 2012
REVENUE				
Province of Newfoundland and Labrador				
Operating grants		\$ 7,441,564	\$ -	\$ 7,441,564
Contributions to employee benefits		630,741	-	630,741
Donated acquisitions	(d)	1,157,305	(1,157,305)	-
Colonial Building Political History Interpretation Project	(a)	758,662	(758,662)	-
Commercial operations		831,974	-	831,974
Amortization of deferred capital contributions	(b)	113,104	(113,104)	-
Government of Canada	(b)	110,301	106,640	216,941
Donations		95,216	-	95,216
Corporate sponsorship	(b)	94,610	592,994	687,604
External funding		21,572	-	21,572
		11,255,049	(1,329,437)	9,925,612
EXPENSES				
Advertising	(c)	292,668	(292,668)	-
Amortization	(c)	329,739	(329,739)	-
Appraisals and acquisitions	(c)	155,852	(155,852)	-
Allowance for doubtful accounts	(c)	8,675	(8,675)	-
Building	(c)	1,923,801	(1,923,801)	-
Colonial Building Political History Interpretation Project	(a)	758,662	(758,662)	-
Conference and registration fees	(c)	20,861	(20,861)	-
Core programming	(c)	570,602	(570,602)	-
Cost of gift shop sales	(c)	188,503	(188,503)	-
Donated acquisitions	(d)	1,157,305	(1,157,305)	-
Meetings	(c)	33,101	(33,101)	-
Office equipment and supplies	(c)	104,854	(104,854)	-
Professional services	(c)	241,467	(241,467)	-
Salaries and benefits	(c)	5,193,741	(5,193,741)	-

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

2. Conversion to Canadian Public Sector Accounting Standards (cont.)

Statement of operations reconciliation (cont.)

Statement of operations	Notes	CGAAP March 31, 2012	Adjustments	CPSAS March 31, 2012
Telecommunications and courier	(c)	85,084	(85,084)	-
Travel	(c)	173,473	(173,473)	-
Corporate services and building operations	(c)(e)	-	5,479,385	5,479,385
Provincial archives	(c)(e)	-	986,637	986,637
Provincial art gallery	(c)(e)	-	949,210	949,210
Provincial museums	(c)(e)	-	1,394,480	1,394,480
Education and public programs	(c)(e)	-	561,146	561,146
		11,238,388	(1,867,530)	9,370,858
Annual operating surplus		\$ 16,661	\$ 538,093	\$ 554,754

- (a) Under CPSAS, amounts held in trust on behalf of external parties are not considered available for use or benefit of the Corporation. In accordance with CPSAS, amounts held in trust are not included in the Corporation's statement of financial position. As a result, the balance of deferred revenue was reviewed as at the date of transition and it was determined that the funds held in trust and any transactions related to the funds would be removed from the financial statements on a retroactive basis. CPSAS require the Corporation to disclose funds held in trust. See Note 13 for disclosure of these funds.
- (b) Under CGAAP standards, contributions from governments and private donors that were designated for the acquisition or recapitalization of tangible capital assets were recorded as deferred capital contributions and amortized to revenue at the same rates which the related capital assets were amortized. Under CPSAS, the contributions must be recognized as revenue when the related tangible capital assets are acquired or constructed. As a result, the balance of deferred capital contributions at the date of transition was reviewed and it was determined that the entire balance should be recognized as revenue. Accordingly, an adjustment was made to retroactively apply the standard because the contributions had been used for their designated purpose.
- (c) Under CPSAS, the Corporation is required to report its expenses by function or major program on the statement of operations. Therefore, certain expenses were reclassified on a retroactive basis.
- (d) Under CPSAS, there is no requirement to record donated goods and services as revenues and expenses. The Corporation has disclosed this information in Note 16 of these financial statements.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

2. Conversion to Canadian Public Sector Accounting Standards (cont.)

- e) CPSAS requires that a liability and an expense be recognized for post-employment benefits and compensated absences that vest or accumulate in the period in which employees render services to the Corporation in return for the benefits. Previous to the year ended March 31, 2013, the Corporation did not record a liability or an expense related to severance pay for employees with less than 9 years of continuous service or accumulating non-vesting sick leave benefits. Accordingly, an adjustment was made to retroactively apply the standard.

3. Summary of significant accounting policies

(a) Basis of accounting

These financial statements have been prepared by the Corporation's management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Corporation's financial instruments recognized in the statement of financial position consist of cash, restricted cash, accounts receivable, and accounts payable and accrued liabilities. The Corporation generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Corporation subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Financial assets measured at cost include cash and restricted cash. Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities.

The carrying values of cash, restricted cash, accounts receivable and accounts payable and accrued liabilities approximate current fair value due to their nature and/or the short-term maturity associated with these instruments.

Interest attributable to financial instruments are reported in the statement of operations.

(c) Cash

Cash includes cash in bank.

3. Summary of significant accounting policies (cont.)

(d) Inventory held for resale

Inventory held for resale includes items purchased for resale in the gift shop and are recorded at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(e) Collections

The collections of art work, archival documents and historical and cultural artifacts form the largest part of the assets of the Corporation. These collections are not presented in the statement of financial position due to the practical difficulties of determining a meaningful value for these assets. The acquisition of purchased works of art and artifacts is recorded as an expense.

(f) Tangible capital assets

Tangible capital assets to which the Corporation has title are recorded at cost at the time of acquisition.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture	7 years
Equipment	3 years
Motor vehicles	5 years
Building improvements	7 to 20 years

Work in progress is considered to be a tangible capital asset, however, it is not amortized as it is not yet available for use. Upon completion, these assets will be recorded in the appropriate category.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the ability of the Corporation to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations and accumulated surplus.

Contributed tangible capital assets are recorded as revenue at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

3. Summary of significant accounting policies (cont.)

(g) Employee future benefits

Employee future benefits include severance pay and accumulating non-vesting sick leave benefits.

- (i) Severance is accounted for on an accrual basis and is calculated based upon years of service and current salary levels.
- (ii) The cost of accumulating non-vesting sick leave benefits is calculated based upon management's best estimates of its employees' sick leave utilization rates, sick leave balances, annual sick leave entitlements and current salary levels.

Under the *Rooms Act*, Corporation employees shall be considered to be employed in the public service for the purposes of the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Corporation and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire.

(h) Revenues

Revenues are recognized in the period in which the transaction or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when the estimation is impracticable.

Government transfers (Province of Newfoundland and Labrador operating grants and Government of Canada grants) are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations giving rise to the liabilities are settled.

(i) Donations

Donations are comprised of contributions received from individuals, foundations and corporations.

Unrestricted contributions are recognized as revenue in the statement of operations when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions externally restricted for specific projects or expenses are deferred in the statement of financial position and recognized in the statement of operations in the fiscal year in which the related expenses are incurred.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

3. Summary of significant accounting policies (cont.)

(j) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are recorded as an expense in that year.

(k) Volunteers

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

(l) Measurement uncertainty

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and 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. Items requiring the use of significant estimates include the expected useful life of tangible capital assets, the probability of having to pay future severance benefits to employees with less than 9 years of service and the probability of future sick leave benefits being utilized by employees.

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.

4. Accounts receivable

	2013	2012
Province of Newfoundland and Labrador	\$ 234,027	\$ 29,312
Harmonized Sales Tax	547,004	124,928
Other	45,086	60,135
	826,117	214,375
Less: Allowance for doubtful accounts	(8,675)	(8,675)
	\$ 817,442	\$ 205,700

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

5. Restricted cash

The following funds, which have external conditions on their use, have been received and deposited with the Corporation's general funds and are reported in these financial statements as restricted cash.

	2013	2012
Private Donor - Site Development	\$ 207,164	\$ 87,955
Corporate Donor - Programming	-	83,334
Private Donor - Social History Exhibit	-	1,000,000
Corporate Donor - 4 th Floor	1,234,769	1,351,987
Permanent Collections Donations	15,625	15,625
Private Donor - B-17 Bomber Exhibit	1,600	1,600
	\$ 1,459,158	\$ 2,540,501

6. Accounts payable and accrued liabilities

	2013	2012
Trade accounts payable	\$ 1,495,299	\$ 670,302
Accrued salaries	62,697	62,614
Accrued overtime and leave	320,670	282,661
Other	-	2,266
	\$ 1,878,666	\$ 1,017,843

7. Deferred revenue

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. The following funds have been received by the Corporation. Since the conditions relating to their use have not been met, recognition of the revenues has been deferred and the funds are recorded as restricted cash as disclosed in Note 5. As at March 31, 2013, the Corporation reported the following:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Donations	\$ 2,540,501	\$ 283,333	\$ 1,364,676	\$ 1,459,158
Government of Canada	-	105,000	105,000	-
Other	-	20,000	20,000	-
	\$ 2,540,501	\$ 408,333	\$ 1,489,676	\$ 1,459,158

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

8. Employee future benefits

Employee future benefits consists of:

	2013	2012
Severance pay (a)	\$ 652,553	\$ 613,539
Accumulating non-vesting sick leave benefit liability (b)	227,665	233,713
	\$ 880,218	\$ 847,252

(a) Severance pay

Severance pay consists of the severance pay liability related to the following employees:

	2013	2012
Employees with 9 or more years of service	\$ 572,777	\$ 552,585
Employees with less than 9 years of service	79,776	60,954
	\$ 652,553	\$ 613,539

(b) Accumulating non-vesting sick leave benefit liability

	2013	2012
Accumulating non-vesting sick leave benefit liability	\$ 227,665	\$ 233,713

(c) Employee future benefits expense

	2013	2012
Severance pay expense	\$ 39,014	\$ 5,670
Accumulating non-vesting sick leave benefit expense	(6,048)	14,612
	\$ 32,966	\$ 20,282

8. Employee future benefits (cont.)

(d) Employee future benefits

i. Severance pay

Severance is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. The right to be paid severance vests with employees with nine years of continuous service, and accordingly a liability has been recorded by the Corporation for these employees. For employees with less than nine years of continuous service, the Corporation has made a provision in the accounts for the payment of severance which is based upon the Corporation's best estimate of the probability of having to pay severance to the employees and current salary levels. Severance is payable when the employee ceases employment with the Corporation provided no severance has been paid by Government or another Crown corporation or agency for the same period and the employee has at least nine years of continuous service.

ii. Accumulating non-vesting sick leave benefits

All unionized employees hired before May 4, 2004, are credited with 2 days per month and all unionized employees hired thereafter are credited with 1 day per month for use as paid absences in the year due to illness. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement. Accumulated credits may be used in future years to the extent that the employee's illness exceeds the current year's allocation of credits. The use of accumulated sick days for sick leave compensation ceases on termination of employment. The benefit costs and liabilities related to the plan are included in the financial statements. For the year ended March 31, 2013, a sick leave liability was calculated for 70 employees.

iii. Pension contributions

Under the *Rooms Act*, the Corporation's staff is subject to the *Public Service Pensions Act*. The Province of Newfoundland and Labrador administers the payroll processing for the majority of the Corporation's staff. Employee contributions are matched by the Province, on behalf of the Corporation, and then remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the age of its members at retirement, length of service and the average of their best five years of earnings. The maximum contribution rate for eligible employees was 8.6% (2012 - 8.6%). The Corporation is not required to make contributions in respect of any actuarial deficiencies of the plan. The Corporation's share of pension contributions for 2013 was \$306,371 (2012 - \$306,475). These contributions are included in employee future benefits expense and as revenue from the Province of Newfoundland and Labrador.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

8. Employee future benefits (cont.)

(d) Employee future benefits (cont.)

iii. Pension contributions (cont.)

Certain employees who transferred to the Corporation from Memorial University of Newfoundland (MUN) continue to have their payroll administered by MUN, including pension benefits. MUN invoices the Corporation for the employer share of pension contributions which are then remitted to the Memorial University of Newfoundland Pension Fund from which pensions will be paid to employees when they retire. The Corporation's share of pension contributions related to these employees for 2013 was \$9,425 (2012 - \$9,779).

9. Tangible capital assets

Original Cost

	Balance March 31, 2012	Additions	Disposals	Balance March 31, 2013
Furniture	\$ 669,062	\$ 1,947	\$ -	\$ 671,009
Equipment	592,713	32,665	-	625,378
Motor vehicles	82,473	-	19,759	62,714
Building improvements	2,368,583	-	-	2,368,583
Capital assets transferred (Note 10)	1	-	-	1
Work in progress	1,566,937	1,399,675	-	2,966,612
	\$ 5,279,769	\$ 1,434,287	\$ 19,759	\$ 6,694,297

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

9. Tangible capital assets (cont.)

Accumulated Amortization

	Balance March 31, 2012	Amortization	Disposals	Balance March 31, 2013	Net book value March 31, 2013	Net book value March 31, 2012
Furniture	\$ 460,050	\$ 89,821	\$ -	\$ 549,871	\$ 121,138	\$ 209,012
Equipment	519,893	66,623	-	586,516	38,862	72,820
Motor vehicles	82,473	-	19,759	62,714	-	-
Building improvements	178,953	125,281		304,234	2,064,349	2,189,630
Capital assets transferred (Note 10)	1	-	-	1	-	-
Work in progress	-	-	-	-	2,966,612	1,566,937
	\$ 1,241,370	\$ 281,725	\$ 19,759	\$ 1,503,336	\$ 5,190,961	\$ 4,038,399

These financial statements do not include the value of "The Rooms" building out of which the Provincial Archives, Art Gallery and Museum Divisions of the Corporation operate. Ownership of the building, which cost \$49.3 million to construct, is held by the Minister of Transportation and Works on behalf of the Province. Ownership of buildings located throughout the Province which house regional museums are also held by the Minister of Transportation and Works on behalf of the Province.

10. Capital assets transferred to the Corporation

During 2003-04, The Rooms Corporation of Newfoundland and Labrador Inc. assumed title to the capital assets of the Provincial Archives, the Provincial Museum and the Art Gallery of Newfoundland and Labrador. These assets have been transferred to the Corporation. The costs and accumulated amortization of these assets are unknown and a reasonable estimate of the amounts involved could not be determined. Therefore, the cost has been recorded as \$1 and the accumulated amortization has been recorded at \$1.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS

March 31, 2013

11. Commercial operations

Commercial operations revenue is comprised as follows:

	2013	2012
Admission revenue	\$ 445,712	\$ 438,380
Gift shop sales	264,625	233,130
Other revenue	127,988	82,045
Interest income	102,335	78,419
	\$ 940,660	\$ 831,974

12. Related party transactions

(a) Province of Newfoundland and Labrador

The Corporation is a Crown Corporation of the Province of Newfoundland and Labrador reporting through the Minister of the Department of Tourism, Culture and Recreation. Expenses incurred by the Province, related to salaries and benefits totaling \$5,120,339 (2012 - \$5,221,896), are reflected in these financial statements as expenses of the Corporation and as revenue from the Province. Included in this total is \$636,440 (2012 - \$630,741), related to the employer's share of employee benefits, paid by the Department of Finance on behalf of the Corporation.

The Office of the Chief Information Officer (OCIO), an entity within the Executive Council of the Province, is developing a collections database for the Corporation's Art Gallery and Museum. Professional services costs of \$41,920 have been financed by the OCIO and are reflected in these financial statements.

The Province provides the Corporation with buildings and space, and related building services, for use as regional museums, storage and workshops in various locations throughout the Province at no cost to the Corporation. Information technology services and legal services are also provided to the Corporation by the Province at no cost to the Corporation. The value of these spaces and the services provided is not readily determinable and therefore are not reflected in these financial statements.

(b) Memorial University of Newfoundland

Certain employees who transferred to the Corporation from Memorial University of Newfoundland (MUN) continue to have their payroll administered by MUN. MUN invoices the Corporation for actual costs incurred. Expenses related to salaries and benefits totaling \$141,761 (2012 - \$141,948) were invoiced by MUN during the year.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

NOTES TO FINANCIAL STATEMENTS

March 31, 2013

12. Related party transactions (cont.)

- (c) The Rooms Foundation of Newfoundland and Labrador

The Rooms Foundation of Newfoundland and Labrador was incorporated on March 11, 2009 under the *Corporations Act*. It was incorporated in accordance with Section 8(7) of the *Rooms Act*. There were no transactions or other activity between March 11, 2009 and March 31, 2013.

13. Colonial Building Political History Interpretation Project

Under a Memorandum of Understanding between the Corporation and the Province signed on March 31, 2009, the Corporation, as Project sponsor, became responsible for financial administration of a Project to renovate the Colonial Building into a heritage interpretation centre. The original Memorandum of Understanding was replaced by a new Memorandum of Understanding that was signed on December 14, 2011. Under the new Memorandum of Understanding, the Corporation continued as Project sponsor until the Project's expected completion in Spring 2014.

On December 1, 2008, an Agreement (the Agreement) respecting a Project called "Colonial Building Political History Interpretation" was signed between the Corporation and the Government of Canada. The Agreement provided funding for the renovation of the Colonial Building in the maximum amount of \$748,335. On March 8, 2010, the Agreement was amended to reduce the maximum contribution from the Government of Canada to \$695,512.

As title to and use of the Colonial Building remains with the Province, the Corporation does not capitalize the renovations to the Colonial Building. Additionally, expenses of the project are not reported on the Corporation's statement of operations, and the unexpended funds held in trust are not reported on the Corporation's statement of financial position. The Corporation is provided with an annual administration fee that is recorded as revenue. In addition, interest earned on the funds held in trust is recorded as revenue by the Corporation.

Since the start of the agreement to March 31, 2013, the Corporation has received funds totaling \$12,888,861 (2012 - \$7,873,861) and incurred expenses totaling \$5,366,215 (2012 - \$2,965,966) related to the Project. During the year ended March 31, 2013, expenses of \$2,400,249 (2012 - \$828,662) were incurred related to the Project. The balance of funds held in trust by the Corporation as at March 31, 2013 was \$7,522,646 (2012- \$4,907,895).

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
March 31, 2013

14. Contractual obligations

(a) Facility Management Contract

The Corporation has entered into an annual facility management contract representing commitments of approximately \$175,000 per month. The contract automatically renews every September 30 unless the Corporation provides notice of its intent to terminate the contract no less than sixty days prior to September 30.

(b) Level 4 Development Contract

The Corporation has entered into an agreement for the interpretive planning, design, fabrication and installation for two exhibitions on Level 4 of "The Rooms" building. The total contract value is \$2,388,960 and the work is to be substantially completed by June 2013. Of this total amount, \$1,247,213 has been expended to March 31, 2013.

(c) Equipment Leases

The Corporation has entered into lease agreements for the rental of office equipment. Approximate payment of these obligations in future years is as follows:

2014	\$ 6,670
2015	6,670
2016	3,644
2017	1,820
2018	645
	<hr/>
	\$ 19,449

15. Donor commitments

The Corporation has received pledges from private donors for development of the Corporation's Site Development, Level 4 Development and for development of a First World War exhibit totaling \$1,750,000. During the year, installments of \$283,333 from two of the donors were received and were recognized in the financial statements. The remaining funds will be recognized as and when they are received over the next three years.

16. Donated acquisitions

Donated acquisitions, or non-cash gifts, are gifts of art work, archival documents and historical and cultural artifacts that the Corporation has received, and for which a tax receipt has been issued to the donor based on an appraised value, and are included in the Corporation's permanent collections. Donated acquisitions are not reflected in the Corporation's financial statements. During the year, the Corporation issued receipts for non-cash donations of \$735,102 (2012 - \$1,157,305).

17. Budget

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been derived from the estimates approved by the Corporation's Board.

18. Financial risk management

The Corporation recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Corporation is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation's main credit risk relates to cash, restricted cash and accounts receivable. The Corporation's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Corporation is not exposed to significant credit risk with its cash and restricted cash because these financial instruments are held with a Chartered Bank. The Corporation is not exposed to significant credit risk related to its accounts receivable as it has policies and procedures for the monitoring and collection of its accounts receivable so as to mitigate potential credit losses. Any estimated impairment of these accounts receivable has been provided for through a provision for doubtful accounts as disclosed in Note 4.

Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its contractual obligations and financial liabilities. The Corporation's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, and its contractual obligations. The Corporation manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its contractual obligations and financial liabilities. The future minimum payments required from the Corporation in relation to its contractual obligations are outlined in Note 14.

19. Financial risk management (cont.)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Corporation is not exposed to significant foreign exchange risk or other price risk. The Corporation is not exposed to significant interest rate risk related to cash or restricted cash because of its nature.

20. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR
REVENUE AND EXPENSE BY SECTOR
For the Year Ended March 31, 2013

SCHEDULE 1

	Corporate Services and Building Operations	Provincial Archives	Provincial Art Gallery	Provincial Museums	Education and Public Programs	2013 Total	2012 Total (Restated)
REVENUES							
Province of Newfoundland & Labrador							
Operating grants	\$ 7,035,430	\$ -	\$ 125,000	\$ -	\$ -	\$ 7,160,430	\$ 7,441,564
Contribution to employee benefits (Note 12)	203,829	115,710	63,390	194,467	59,044	636,440	630,741
Donations	1,364,858	-	-	-	-	1,364,858	95,216
Commercial operations (Note 11)	797,923	68,213	51,285	12,104	11,135	940,660	831,974
Government of Canada	35,000	83,561	95,000	44,000	-	257,561	216,941
Corporate sponsorship	-	-	50,000	-	87,300	137,300	687,604
External funding	-	7,071	7,500	-	-	14,571	21,572
	<u>\$ 9,437,040</u>	<u>\$ 274,555</u>	<u>\$ 392,175</u>	<u>\$ 250,571</u>	<u>\$ 157,479</u>	<u>\$10,511,820</u>	<u>\$ 9,925,612</u>
EXPENSES							
Advertising and promotion	\$ 293,902	\$ 919	\$ 112	\$ 8,589	\$ -	\$ 303,522	\$ 292,668
Allowance for doubtful accounts	-	-	-	-	-	-	8,675
Amortization	281,725	-	-	-	-	281,725	329,739
Appraisals and acquisitions	-	12,053	123,059	2,529	-	137,641	155,852
Building expenses	1,965,311	-	-	-	-	1,965,311	1,923,801
Conference and registration fees	1,912	1,771	2,574	6,307	1,921	14,485	20,861
Core programming	161,310	29,255	258,060	91,880	110,447	650,952	570,602
Cost of gift shop sales	206,815	-	-	-	-	206,815	188,503
Employee future benefits	237,352	112,738	68,387	217,049	33,880	669,406	651,023
Meeting expenses	16,628	640	1,908	2,196	284	21,656	33,101
Office equipment and supplies	28,349	18,097	5,294	11,007	620	63,367	104,854
Professional services	71,543	17,652	40,503	55,066	8,192	192,956	241,467
Salaries	1,483,966	827,044	572,635	1,162,991	437,263	4,483,899	4,591,155
Telecommunications and courier	67,314	2,424	3,175	5,908	2,156	80,977	85,084
Travel	54,643	7,872	26,373	31,671	3,812	124,371	173,473
	<u>\$ 4,870,770</u>	<u>\$1,030,465</u>	<u>\$1,102,080</u>	<u>\$ 1,595,193</u>	<u>\$ 598,575</u>	<u>\$ 9,197,083</u>	<u>\$ 9,370,858</u>
Annual operating surplus (deficit)	<u>\$ 4,566,270</u>	<u>\$ (755,910)</u>	<u>\$ (709,905)</u>	<u>\$ (1,344,622)</u>	<u>\$ (441,096)</u>	<u>\$ 1,314,737</u>	<u>\$ 554,754</u>

