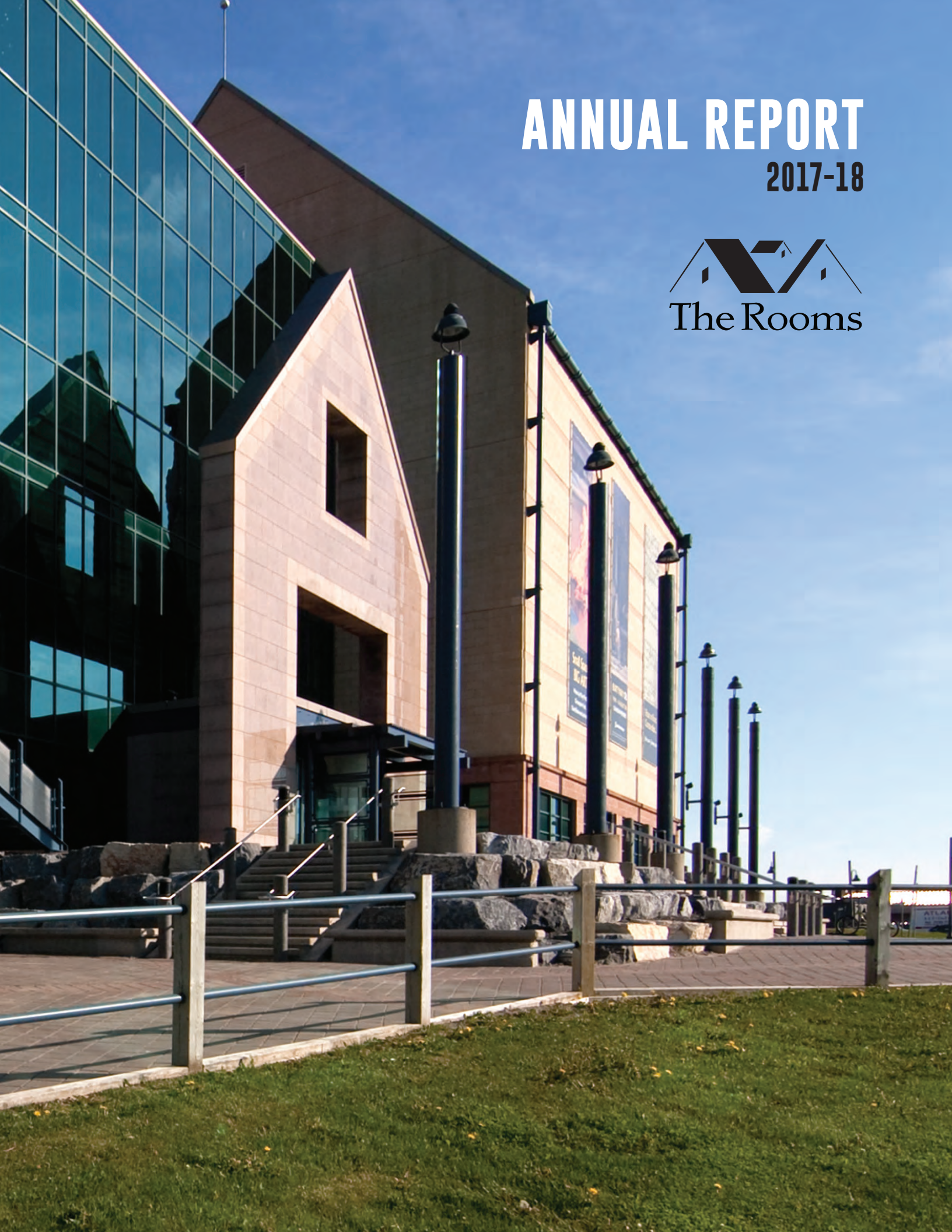


# ANNUAL REPORT

2017-18





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## A MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

I am honoured to have been appointed as Chair of The Rooms Board of Directors. I would like to thank Tom Foran for his many years of service and dedication as Vice-Chair and then Chair of The Rooms Board. Tom has helped to guide The Rooms from its inception into the award-winning world-class institution it now is. I would like to thank all Board Members who have served The Rooms over the years and I would like to welcome those who have been recently appointed to The Rooms Board.

As the Corporation completes the first year of its 2017-20 planning cycle it is an exciting time to begin my role with The Rooms. The 2017-20 Strategic Plan has built upon the goals and priorities The Rooms has achieved over the past 12 years and sets the strategic priorities for the next three years. The plan builds on recent successes and focuses on building strong connections with visitors, members and the people of Newfoundland and Labrador.

The Rooms made several achievements during the past year, advancing the Corporation's strategic priorities. Winter 2017 saw the creation of a new Cultural Ambassador Program Team. The Team was responsible for the commencement of the Cultural Immersion Program, which began in June 2017, launching five popular new programming series. In April 2017, the organization began its enormously successful recruitment campaign for the Scotiabank Volunteer at The Rooms Program and recruited 250 volunteers. An enhanced Membership Program has been developed and will be promoted this coming year. Perhaps most importantly The Rooms completed two successful public consultation sessions, one in April 2017 and the other in December 2017.

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 and public programming to deepen the pride and identity of all Newfoundlanders and Labradorians together form the foundation of The Rooms Corporation's mission.

The 2017-18 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 results reported for The Rooms.



A handwritten signature in black ink that reads "Margaret E. Allan". The signature is fluid and cursive.

Margaret E. Allan  
Chair, Board of Directors,  
The Rooms Corporation of Newfoundland and Labrador

Sixteen per cent increase in visitation to the Archives Reference Room

16%

Forty per cent increase in records made available for online access

40%





# OVERVIEW OF THE CORPORATION

## NUMBER OF EMPLOYEES

The Rooms employs 40 permanent staff, including five permanent seasonal staff to operate The Rooms Regional Museums. The gender breakdown is 25 females and 15 males. These positions are funded in part by The Rooms operating grant from the Government of Newfoundland and Labrador and earned 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.

## PHYSICAL LOCATION

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

## OTHER KEY STATISTICS

### Visitation

The Rooms had a total of 77,815 visits in 2017-18, compared to 87,083 visits in 2016-17, a decrease of 9,268 visits or approximately 12 per cent. The Rooms experienced a significant increase in free visitation in 2016-17 due to commemoration events marking the hundredth anniversary of Newfoundland and Labrador's involvement in the First World War. In particular, free admission was offered to the public over the opening weekend of the new Royal Newfoundland Regiment Gallery. It is important to note that while the number of free visits to The Rooms has decreased from 2016-17, the number of paid visits had a substantial increase. Of the total number of visits, 18 per cent were free and 82 per cent were paid as compared with 30 per cent free and 70 per cent paid visits in 2016-17.

In addition to paid visitations, renewals and new Rooms Memberships have increased. From April 1, 2017 until March 31, 2018, 1319 annual memberships were purchased, a 34 per cent increase from 2016-17, 560 of which were new memberships — a 51 per cent increase in new memberships from 2016-17.

### Paid Parking

Beginning on June 27, 2017, parking fees were implemented at The Rooms. Parking fees are in effect 24 hours a day, seven days a week for a fee of two dollars an hour. Parking is free for members of The Rooms. From June 2017 to March 31, 2018, The Rooms collected approximately \$68,000 from paid parking.

### The Rooms Gift Shop

The Rooms Gift Shop had a small decrease (3 per cent) in sales from 2016-17 with total sales of \$375,721 in 2017-18. Note that during the previous fiscal year, the gift shop had experienced a significant increase in sales of more than \$50,000. 2017-18 gift shop sales remained well above 2015-16 sales.

## On-site Service – Archives Reference Room

There were a total of 10,280 in-person visits to the Reference Room in the fiscal year 2017-18, an increase of 1,685 or 16 per cent. Researchers using the Archives come from a wide variety of backgrounds and places, including those from within the Province and around the world. They include groups like students, genealogists, academics, lawyers, writers, community historians, engineers, linguists, medical professionals and staff of other Government departments. Each researcher using The Rooms archival collections is provided with a registration number and is given individual service and professional advice regarding their research interests and the material they are consulting. Archival research inquiries and information requests are also received and answered regularly via phone, e-mail and postal mail.

## On-Line Archival Holdings

Between April 2017 and March 2018, the Archives description and cataloguing team created/revised, and authorized 17,851 records for online access, a 40 per cent increase from 2016-2017. This included database additions of photographs, textual records, cartographic materials and both Government and Non-Government records alike. Work included physical processing of the materials (re-folding, re-labeling and re-boxing), arrangement of the information (identification and description of records series), the creation of administrative sketches, biographies and the preparation of finding aids in paper and electronic form for various collections to be used by the public. This new material can be accessed via The Rooms website at <https://www.therooms.ca/collectionsresearch/>

## Government Records – Information Management Achievements

In 2017-18, the Archives appraised over 940 boxes of Government records submitted to the Government Records Committee for addition to the Archives, 210 more boxes than 2016-17 or a 22 per cent increase. The total number of retention schedules worked on, in cooperation with staff of the Office of the Chief Information Officer, was 32. Archival appraisal is the process by which large amounts of records and information (in a wide variety of formats) is examined and considered for inclusion as permanent archival records. It requires an understanding of archival theory and practice, as well as knowledge about the creator(s) of the records and their context - how they were created, used and why.

## REVENUES AND EXPENDITURES

Please refer to The Rooms Corporation of Newfoundland and Labrador Audited Financial Statements for the year ending March 31, 2018 (Appendix A).

# HIGHLIGHTS

## **ONLINE VERSION OF THE FIRST WORLD WAR EXHIBITION**

The First World War Exhibition at The Rooms was developed into an online exhibition and was launched in April 2017. This online version, funded by the Federal Government, is available in both English and French. Designed by Origin Studios, it presents approximately 70 percent of what is in the physical exhibition as well as new content that was added to the website. This virtual exhibit also offers a digital photographic walkthrough or virtual tour of the physical exhibition. The Rooms also added virtual reality glasses and instructions to each of the BMO First World War Edu-Kits so that children in all parts of Newfoundland and Labrador could experience “walking” through the exhibition. The online exhibition can be found at <http://theroomsgreatwarexhibit.com/>

## **THE ROOMS SELECTED AS FINALIST FOR GOVERNOR GENERAL'S HISTORY AWARD**

The Rooms was pleased to learn that it was listed as a finalist for the Governor General's History Award. Her Excellency the Right Honourable Julie Payette, Governor General of Canada, recognized the exhibition, “Beaumont-Hamel and the Trail of the Caribou: Newfoundlanders and Labradorians at War and at Home 1914-1949” as one of three finalists for the 2017 Excellence in Museums: The History Alive! Award. The CEO and Director attended the Awards Banquet and Ceremony in Ottawa on November 22, 2017. The Governor General's History Awards recognizes innovative projects and excellence in teaching Canadian History. The awards, established in 1996, were created to recognize the many ways in which history is taught and communicated by Canadians.

## **CEO OF THE ROOMS CORPORATION RECOGNIZED WITH NATION'S TOP CIVIC DECORATION**

In January 2018, Dean Brinton, CEO of The Rooms Corporation, was presented with the Meritorious Service Medal in the Civil Division by Her Excellency the Right Honourable Julie Payette, Governor General of Canada, at Rideau Hall in Ottawa. This distinction was presented to Mr. Brinton because of his leadership during the capital campaign “Where Once They Stood We Stand.” Under his guidance, nearly \$12 million was raised for the development of the Fortis Courtyard and Amphitheatre, the building of the Royal Newfoundland Regiment Gallery, and the commemorative ceremony of the 100<sup>th</sup> Anniversary of the Battle of the Somme at Beaumont-Hamel at The Rooms.

## **APPOINTMENTS TO THE ROOMS CORPORATION BOARD OF DIRECTORS**

The Honourable Christopher Mitchelmore, Minister of Tourism, Culture, Industry and Innovation, announced appointments and re-appointments to the Board of Directors of The Rooms Corporation on March 14, 2018. Margaret Allan was appointed Chair of the Board, while five new board members — Michelle Baikie, Heidi Bonnell, Katharine Hickey, Earl Ludlow and Gary Newell — were appointed for three-year terms. Mary McCarthy and Jeff Pardy have been re-appointed for three-year terms, joining Kathi Stacey and Dawn Baker.









## HIGHLIGHTS

### **HURRY HARD! CURLING ON THE ROCK, EXHIBITED FROM FEBRUARY TO JUNE 2017**

To celebrate St. John's hosting the 2017 Canadian Brier, the museum developed a pop-up exhibition that explored the history of curling in the Province and highlights such as the Team Gushue gold medal victory at the 2006 Winter Olympics. The scope expanded as the project became an extremely successful collaboration with the Newfoundland and Labrador curling community. A synergy developed between the exhibition and the Brier, particularly after the Team Gushue win there and at the Worlds. The show remained popular all through the Spring. It was an excellent example of responding to an important event in the community and providing an exhibition and a space to tell related stories.

### **GERALD SQUIRES: SPIRIT VISIBLE, EXHIBITED MAY 13 TO SEPTEMBER 4, 2017**

Gerald Leopold Squires, O.C. (1937–2015) was one of this Province's most prominent artists, credited with defining the experience of this place for its people. His paintings, sculptures, drawings, and other artworks emerged from his personal experience of major political and social changes occurring here during his lifetime; from his exploration of religions, art history, and literature; and from his love of our landscape and people. This exhibition spanned his career, introducing one of the Province's beloved artists to new audiences while contextualizing his practice within the Canadian art historical narrative. It was guest curated by long-time Newfoundland and Labrador curator, Caroline Stone.

### **JERRY ROPSON: TO KISS A GOAT BETWEEN THE HORNS, EXHIBITED MAY 27 TO SEPTEMBER 24, 2017**

Jerry Ropson is part of a new generation of Newfoundland and Labrador artists redefining the experience of this Province for its people while exploring what it means to create work about this place in an increasingly globalized environment. A professor of fine arts at Mount Allison University, Ropson spent a sabbatical year reconnecting with his hometown (Pollards Point, NL), creating new work that marries drawings, video, and sound to provide an informal, compassionate look at everyday life in rural Newfoundland—from family history to shed conversations and hunting excursions. During the exhibition's first week, visitors could speak with Ropson as he worked on a wall drawing in the gallery. The artist's presence activated the space and provided visitors new to contemporary discourse with unique opportunities to access "codified art objects". The exhibition catalogue is in the works and will be distributed nationally upon completion. Jerry Ropson has been nominated for the long list of the 2018 Sobey Art Award. The Sobey Art Award is the pre-eminent prize for Canadian artists 40 and under.

### **THE ROOMS HOSTS VIMY FLIGHT BIRTH OF A NATION TOUR**

The Rooms was the final stop of the cross-country Vimy Flight Birth of a Nation Tour. The Birth of a Nation Tour began in France with a fly-over of the Vimy Monument on April 9, 2017, the Centenary Anniversary of the Battle of Vimy Ridge. After completing the commemorative flight the team came home to Canada for a cross-country tour. The exhibit featured a replica Neuport XI Vimy Biplane named Lucie. The Vimy Flight Pilots and support crew visited The Rooms in November over Remembrance Day weekend and again in January. On both occasions the pilots and crew presented public programs and answered questions about the biplane and their tour.





# PARTNERSHIPS

The Rooms carries out its mandate in association with various parties including funding agencies, Government departments and professional associations. During 2017-18, The Rooms worked in association with:



## PARTNERSHIPS

### DEPARTMENT OF TOURISM, CULTURE, INDUSTRY AND INNOVATION

As a Category One Crown Corporation of the Government of Newfoundland and Labrador, The Rooms is accountable to the Minister of Tourism, Culture, Industry and Innovation (TCII) through The Rooms Board of Directors. Funding received from the Department of Tourism, Culture, Industry and Innovation sustains operations of The Rooms each year. The Rooms works closely with the Department on a number of shared commitments including: the Art Bank Program of the Government of Newfoundland and Labrador; project management of the development of the Colonial Building Exhibition Project; as well as assisting with the Arts and Letters Awards Program annually by providing curatorial and technical support to mount the exhibition, gallery space and is the venue for the awards ceremony.

### CHEVRON OPEN MINDS PROGRAM

The Chevron Open Minds at The Rooms Program has been an innovative learning experience in our community since 2009. The program enables and encourages individuals to acquire knowledge, skills and values necessary for the development of responsible, competent and confident lifelong learners. Students, parents, teachers, staff at The Rooms and cultural experts learn collaboratively as they immerse themselves in an educationally rich environment, focusing on observation, critical thinking and problem solving. The program has supported almost 5,000 students with unique and enriching learning opportunities. Chevron Canada has funded the Open Minds at The Rooms Program since its inception in 2009 and has given a commitment





## **COLONIAL BUILDING PROJECT**

The Rooms provides financial administration of the project in consultation with the Department of Transportation and Works which manages the construction work. The Rooms is also part of the Colonial Building Project Management Committee which oversees the completion of the restoration and includes other representatives from the Department of Tourism, Culture, Industry and Innovation and the Department of Transportation and Works. The Rooms and the Department of Tourism, Culture, Industry, and Innovation will also work together on the development of the interpretive elements that will eventually be presented in the building.

## **DEPARTMENT OF EDUCATION AND CHILDHOOD DEVELOPMENT, K-12 CULTURAL CONNECTIONS PROGRAM**

The Department of Education and Early Childhood Development and the Department of Tourism, Culture, Industry and Innovation 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 fosters a link between the arts and school communities. Through this program The Rooms has worked closely with the Department of Education and Early Childhood Development on curriculum linked projects for delivery at The Rooms.

The Rooms provides education programs based on its exhibits which are linked to school curriculum and assist with teaching and learning outcomes. For Grades K to six, The Rooms offers three school programs designed specifically to augment the social studies curriculum (“Home & School, Peoples of the Province and Introduction to Archaeology”) and one program that directly addresses the visual arts curriculum (Adventures in Art). The Rooms also offers programs for Grade eight Social Studies: “History of Newfoundland Labrador 1800-Present” and the “Newfoundland Studies” course for high school students (“Soldier’s Stories, Making Fish, Life and Times”), as well as the junior and high school visual arts programs (“Art without Borders”). More than 7,300 students from within the K-12 school system participated in curriculum-linked education programs at The Rooms during the 2017-18 school year.

## **MILITARY SERVICE FILES DIGITIZATION PARTNERSHIP PROJECT**

The project to digitize and improve access to the military service records of the Royal Newfoundland Regiment and Newfoundland Forestry Companies continued in 2017-18. These records are part of the “GN 19 Newfoundland military service records (Great War) collection 1914 - [2000], predominant 1914-1919” and consist of 6693 microfilmed files on 322 microfilm reels. The files provide a detailed service summary of each individual soldier/sailor and are a tremendous source of information for researchers. Over 4000 digital images/scans were added to the database in 2017-18 with work continuing to complete the database scheduled to finish in November 2018.

## **GRENFELL HISTORICAL SOCIETY PARTNERSHIP**

Funded by a grant from the International Grenfell Association, The Rooms worked with staff and board members from the Grenfell Historical Society located in St. Anthony to identify, preserve and digitize original Grenfell-related archival records stored at the Grenfell Heritage Centre and Grenfell House.

## **INTERNATIONAL GRENFELL ASSOCIATION (IGA) GRANT PROJECT**

In addition to work with the Grenfell Historical Society in St. Anthony, the multi-year project to arrange, describe and improve access to the various IGA and Grenfell-related collections at The Rooms continued in 2017-18. This was made possible by grant funding from the IGA and involves the cataloguing of textual records, photographs, films, maps and cartographic items and adding descriptive information about the materials to The Rooms website and archives database.

## **WORLD WILDLIFE FUND NORTHERN COD MORATORIUM COMMEMORATION AND EXHIBIT PARTNERSHIP**

With the 2016 signing of a Memorandum of Understanding between The Rooms and the World Wildlife Fund Canada, The Rooms opened the related exhibit “When Cod Was King: A Retrospective” in June 2017. This exhibition showcases elements of the history of the Newfoundland and Labrador cod fishery through the use of archival photographs, documents, marine charts and artifacts and presents a glimpse into the storied history of the Newfoundland and Labrador cod fishery.

## **NATURAL AREAS DIVISION, OF THE DEPARTMENT OF FISHERIES AND LAND RESOURCES**

A Memorandum of Understanding with the Natural Areas Division of the Department of Fisheries and Land Resources in 2015 established The Rooms as the official repository for fossils salvaged from Mistaken Point Ecological Reserve, an important criteria considered for the designation of UNESCO World Heritage status.

Mistaken Point Ecological Reserve was designated as a World Heritage Site by UNESCO in 2017. The site is managed by the Natural Areas Division of the Department of Fisheries and Land Resources. As per a MOU between the Department of Municipal Affairs and Environment and The Rooms Corporation, the Museum is the official repository, since 2014, for fossils salvaged from the reserve. The UNESCO designation highlights the significance of this collection.

## PARTNERSHIPS

### PROVINCIAL ARCHAEOLOGICAL OFFICE – LOWER CHURCHILL PROJECT

The Rooms Conservation Lab at Building 1042 is currently being used by contract staff (Stantec and Nalcor) to conserve all of the archaeological material being recovered as part of the archaeological recovery program for the Lower Churchill Project. To date, artifacts from the 2012-16 field seasons have been processed and entered into the Provincial Collection. The material collected during the 2017 field season is currently being conserved and the collection will come into the care of The Rooms Archaeology and Ethnology Unit at the end of the project.

### 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. These funds are used to support national and international artists in the creation of new artistic works presented in innovative exhibition contexts at The Rooms Art Gallery.

In February 2018, The Rooms received a significant funding increase from the Canada Council for the Arts with the operating grant increasing by 74 per cent, for a total of \$330,000 over two years. This was the first funding increase that the Provincial Art Gallery had received from the Canada Council for the Arts since becoming part of The Rooms in 2005.

The new Director of the Art Gallery, Anne Chafe, led the grant application process for the Canada Council for the Arts new Engage and Sustain Program, which provides grants to "support institutions as artistic leaders to carry out activities that encourage and promote the work of creators, strengthening their relationships with the public." Building on many of the exhibition ideas developed by the gallery's former director and the current Curator of Contemporary Art, senior art gallery staff articulated how the gallery would deepen its relationship with a broad and diverse public, which is a key component of the new program.

### ADDITIONAL ART GALLERY PARTNERSHIPS

The Rooms continues its collaborations, partnerships and networks, specifically through loans and other agreements with the Art Gallery of Alberta and the Confederation Centre Art Gallery (Charlottetown) on the exhibition "Gretzky is Everywhere;" the Gallery 44 (Toronto) and the Western Front (Vancouver) to co-produce an exhibition and publication (2017, "Aleesa Cohene"); the Carleton University Art Gallery and the McMaster Museum of Art to develop the co-publication "Rebecca Belmore: March 5, 1819" about Belmore's video installation commissioned by The Rooms in 2008; and with Fishing for Success to present the "Cod Mosaic Wish 150" community art exhibition during Summer 2017. The Art Gallery has had the following loan agreements: Summer 2017 – loan of Luben Boykov's sculpture Terra to the Montreal Museum of Fine Arts national outdoor sculpture installation "La Ballade de la Paix;" and works of Marlene Creates were loaned to the Beaverbrook Art Gallery for the national tour of this artist's work. The Art Gallery has also supported Visual Artists Newfoundland and Labrador with the Excellence in Visual Arts awards by providing a venue for the awards ceremony annually.

Mireille Eagan, Curator of Contemporary Art for The Rooms, participated on the following juries and committees: 2017 SSHRC Settler Colonialism project, collaborator; 2017-18 Canada Council for the Arts, juror; 2017 RBC Painting Competition, juror; 2017 Scotiabank Photography Award, nominator; and 2017 Riddle Fence, Visual Arts Editor.

Through The Rooms partnership with Parks Canada and via funding from the Canada Council for the Arts, the Art Gallery hosted three artist residencies: Francois Quevillon at Gros Morne National Park; Elizabeth Rose at Terra Nova National Park; and Amelie Jerome at the Brigus Landfall Trust, at a cost of \$10,588. The jury to select the 2018 residencies was held in December 2017 at The Rooms.

## GENERATE ENGAGING CONTENT

Newfoundland and Labrador has a unique culture that attracts visitors from around the world. Residents of the Province also have a deep and abiding interest in the stories and topics that comprise the unique culture, a culture which includes the centrality of the visual arts.

The provincial collections, under the care of The Rooms, together represent Newfoundland and Labrador's unique cultural history and contain thousands of stories and topics of interest to both visitors and residents.

Over the next three years, The Rooms will develop a range of new programs based on the Province's unique culture and the provincial collections in order to increase engagement with residents and non-resident visitors.

The Rooms is committed to increasing the number of people and program-based experiences as detailed in "The Way Forward: 2017-20 Provincial Tourism Product Development Plan" and has incorporated a new cultural immersion program experience for 2017-20.

This work has supported Government's strategic direction, as communicated by the Minister of Tourism, Culture, Industry and Innovation, to increase the number of people and program-based brand experiences in core experiences categories, and, as an anchor attraction strives to enhance the sustainability and experience development as stated in "The Way Forward: 2017-20 Provincial Tourism Product Development Plan."

### GOAL

By March 31, 2020, The Rooms will have generated more creative, innovative and interactive content.



## FIRST YEAR OBJECTIVE (2017-18)

By March 31, 2018, The Rooms will have established a plan to develop more creative, innovative and interactive content.

INDICATORS (2017-18)	RESULTS AND BENEFITS
1. Identified and created a team dedicated to developing new engaging public programs	<p>In January 2018, Larry Dohey, Manager of Collections and Projects for the archives, was appointed as the new Director Programming and Public Engagement for The Rooms. That spring, the Cultural Ambassador Program was formed. The team initially consisted of Larry Dohey, Director; Angela Noseworthy, Education and Public Programming Officer; and Elaine Anton, Collections Manager for the museum division. In March, a Marketing Specialist was hired for six month contract to jump-start marketing of new Cultural Immersions program. In April, Education and Public Programming Officers Joy Barfoot, Ann Pickard-Vaandering and Jason Sellars joined the team which is now called Programming and Public Engagement. The Marketing Specialist contract finished in September 2017 and the Collections Manager assumed her original position in October 2017.</p>
2. Establish a plan to facilitate content development, increase program effectiveness and operational efficiency	<p>In Spring 2017, the newly formed CAP Project Team created a plan to develop new activities, based on the Province's unique cultural history. The Rooms leveraged its collections to develop programs and events that attracted both tourists and residents in order to maintain/increase visitation and earned revenue levels over those achieved in 2016. The plan supports Government's tourism strategy and goal of doubling visitation to the Province over the next four years.</p> <p>The CAP Project Team identified key topics from the tourism strategy and tourism website that could be used to form the basis of the visitor experience at The Rooms. From that they developed a plan for how a schedule of experiences could be formed; ie, daily experiences, weekly experiences, special occasion experiences, enhanced experiences such as food tastings, musical performances and language lessons. The Team researched other cultural institutions to garner ideas that could be utilized for The Rooms project.</p> <p>The plan considered audiences that would require experiences at specific times; ie, cruise ship market and bus company tours – tailoring experiences to best fit their needs. It also examined the physical spaces available at The Rooms and how to optimize the space for these experiences.</p> <p>The Team met with staff members to gain a better understanding of internal operations and to solicit ideas. They also determined existing obligations and events that had been committed to, as well as opportunities that could be taken advantage of. In particular, productive discussions were held with Front of House, Marketing and Social Media staff.</p> <p>The Team recognized it would take more staff than the institution had available to execute the plan. To assist with operational efficiency a second plan was developed to recruit Cultural Ambassador Volunteers who would be needed to deliver the full experience. The CAP Program Plan outlined expectations for the Cultural Ambassador Volunteers and identified what would be required to ensure a quality experience was being provided to the visitor.</p>

3. Develop a Cultural Immersion Program for non-resident visitors, which includes defining aspects of the unique culture of Newfoundland and Labrador, the visual arts and that provides emotionally memorable experiences

The Rooms implemented the Cultural Immersion Program in June 2017. The goal of the program is to increase visitation and earned revenue and to support the Department of Tourism, Culture, Industry and Innovation's tourism marketing objectives.

The focus of the program is to develop cultural heritage experiences aimed at non-resident visitors. The intent of the program is to offer a personal touch to visitors as soon as they entered the building. A bright, refreshed lobby helped to deliver a sense of arrival. New large interior banners descending from the fourth floor to the second floor added colour and cheerfulness. Additional upgrades such as free WiFi throughout the building, extended hours of operation and online ticket purchasing offered an improved visitor experience.

More than 250 Cultural Ambassador Volunteers were recruited and received Customer Service as well as Experience Delivery training. The Cultural Ambassadors are utilized to greet visitors as they entered the building, to provide assistance with way-finding throughout the building, and to share a conversation or experience with visitors providing a personal touch.

Four large wooden shed-like moveable Cultural Immersion Kiosks have been installed on the Level Three Atrium. Each kiosk was painted a different colour and featured its own theme, including music, language, history, and weather/environment.

The program features daily Newfoundland food samples, handed out by Cultural Ambassadors – affording the visitor the opportunity to have a conversation about food traditions. Music and story-telling performances take place every weekday from 12-2 pm. Short films about Newfoundland food ran on a loop daily in the theatre and a small café was installed adjacent to the theatre providing lunches and snacks. Picnic lunches are available and the café was licensed to serve alcohol and remain open for the evening Movie Series.

Five new event series (Inspired B'y Experience Series, An Intimate Evening with Performance Series, Movie Night at The Rooms Movie Series, The Rooms Book Club Series, Flavours of Newfoundland and Labrador Dining Series), provide weekly, evening events. The series featured events hosted by famous Newfoundlanders and Labradorians such as Alan Doyle, Mark Critch, and Lisa Moore to name a few.

4. Develop Cultural History programs for residents, which include stories and topics from across Newfoundland and Labrador including the visual arts

Archives, Art Gallery and Museum staff worked with the Programming and Public Engagement team to develop public programs that reached a wide and diverse audience. Attendance for The Rooms Weekly lecture series Engaging Evening and Coffee and Culture experienced record numbers. Many of the programs offered this past Fall and Winter achieved maximum capacity.

#### **Beyond the Attic Introduction to Genealogy Workshop**

Given the popular interest in family history research and genealogical research, the Archives undertook a review of its Genealogy collections and related programming opportunities in 2017-18. The popular "Introduction to Genealogy" course offered to the public was redesigned and was offered four times at The Rooms - with all sessions selling out almost immediately with a waitlist for future offerings. This course is "team-taught" by Archives staff and plans are underway to deliver this course on-line via The Rooms website in the near future.

#### **Introduction to Contemporary Art Workshop**

This workshop responded to a request that came from the December 2017 Public Consultation Session. During the session it was suggested several times that members of the public were looking for a program to increase understanding and appreciation of art - not just make art. Three, half-day workshops were offered between February and April. Each session focused on a different topic. Session one covered people and portraits; session two explored land and landscapes; and session three looked at abstract art and sculpture. The Education and Public Programming Unit will continue to offer these workshops again this Fall.

Additional sold out hands-on workshops included "Rug Hooking for Beginners," "Inspired B'y Icebergs Watercolour Workshop," and "Inspired B'y The Narrows Watercolour Workshop."

#### **Contemporary Art Education Gallery and Brochure**

Through research and visitor feedback it has been determined that The Rooms often provides resident visitors with their first exposure to contemporary art. Inexperience with, and a lack of understanding of, contemporary art has been a barrier for visitors at times and has impacted visitor satisfaction. To break down barriers and to make the experience less intimidating, The Rooms has sought new ways for visitors to find meaningful connection to art and artists at The Rooms. A space in the Level Four Art Gallery has been designed with interactive experiences encouraging visitors to consider certain questions to aid in understanding the exhibitions they are viewing. A wallet-sized take-home brochure supports these interactive experiences. The Rooms continues to explore ways to make contemporary art more accessible by juxtaposing the new with the familiar, the contemporary with the historical, and the local with the national and international.

#### **Reference and Access Service**

The main Archives public engagement program at The Rooms is its Reference and Access service - available daily in the Level Three Reference Room and via contact with The Rooms through email, phone and postal mail. Researchers and those wishing to engage with the collections are provided with one-on-one service, and an individual experience between visitors and staff to discuss and tailor research inquiries, advise on potential content and deliver primary source material for use. In 2017-18, over 14,700 individual inquiries were responded to, coming from researchers across the Province and around the world.



DISCUSSION OF RESULTS

In July 2016, The Rooms opened two exhibitions related to the First World War. The exhibition Beaumont-Hamel and the Trail of the Caribou: Newfoundland and Labrador at War and at Home 1914-1949, which is housed in the Royal Newfoundland Regiment Gallery, on Level 2 of The Rooms, and the travelling exhibition Traces of the Great War created in partnership with the Canadian War Museum, which opened at The Mary March Provincial Museum and will travel to the Provincial Seamen’s Museum and the Labrador Interpretation Centre over the next two years. These initiatives support The Rooms objective to have presented exhibitions related to the First World War and further support the goal of having commemorated provincially and culturally significant centenaries through exhibitions and public programming in order to preserve, share, educate and present the history of Newfoundland and Labrador and raise awareness of the events commemorated.

SECOND YEAR OBJECTIVE (2018-19)

By March 31, 2019, The Rooms will have implemented more creative, innovative and interactive programs to further engage the public.

2018-19 Objective Indicators:

- The Rooms will have continued to enhance Cultural Immersion experiences for non-resident visitors, which represent defining aspects of the unique culture of Newfoundland and Labrador including the visual arts.
- The Rooms will have continued to offer visitor-focused, collections-based experiences that align with the goals of the Government as outlined in The Way Forward: A Vision for Sustainability and Growth in Newfoundland and Labrador.
- The Rooms will have explored opportunities to establish partnerships with external organizations (national and local, public and private sector).







## DEEPEN, BROADEN, AND INCREASE PUBLIC ENGAGEMENT

Marketing research confirms that visitors desire experiences that are enlivened and interactive in addition to those that require little participation. The Rooms contains several world-class permanent exhibits, a constantly changing array of visual art exhibitions and a Reference Room where visitors may research the provincial collections with the assistance of expert staff. The Rooms will augment these programs and services with a lively and engaging visitor-experience that starts the moment visitors enter the building. Key to the delivery of The Rooms visitor experience will be the involvement of Cultural Ambassadors, a team of volunteers who will welcome and interact with visitors as they move through galleries and participate in new cultural history programs.

Demographic and psychographic information will be compiled to help The Rooms develop and refine a visitor experience that is meaningful and relevant to non-resident visitors and residents which aligns with the Government's tourism marketing strategy and brand.

This work commits to Government's strategic direction to understand value and success as stated in section four of "The Way Forward: 2017-20 Provincial Tourism Product Development Plan."

### GOAL

By March 31, 2020, The Rooms will have been positioned to be of greater appeal to residents and visitors by becoming more relevant, differentiated, credible and motivational, and will have identified a measurement strategy.



FIRST YEAR OBJECTIVE (2017-18)

By March 31, 2018, The Rooms will have identified its target audience in order to better understand its visitors.

INDICATORS (2017-18)	RESULTS AND BENEFITS
<p>1. Undertake community consultation to establish priorities and inform strategy</p>	<p>In April 2017, The Rooms conducted the first of two public consultation sessions. The Rooms, with the assistance of the <b>Public Engagement Division (PED) of the Communications and Public Engagement Branch</b>, engaged with its stakeholders to help guide the goals of growing revenue, increasing visitation and contributing to the Government’s overall tourism plan.</p> <p>Public engagement was achieved through an in-person session and an online survey with 187 stakeholders. Topics were focused on helping The Rooms design more meaningful and memorable visitor experiences. The Rooms explored tourist and resident motivators, new ways of presenting our stories throughout the Province, the value of existing programs and services, volunteering and new hours of operation. Participants offered suggestions that helped guide The Rooms in planning new ways to engage with residents and tourists alike.</p> <p>Participant response indicated significant support for volunteering, opening the building to the public on Friday and Saturday evenings and interest in dining at The Rooms Café on these evenings. Feedback obtained from participants of the public consultation session supported the direction of the 2017 Summer Cultural Immersion programming.</p> <p>The second of two sessions took place in December 2017. The Rooms, with the assistance of the <b>Public Engagement Division (PED) of the Communications and Public Engagement Branch</b>, engaged with its stakeholders, members and general public to gather their thoughts and suggestions to inform current and future programs and services during an in-person session held on the evening of December 12. This session outlined the responsibilities of The Rooms (as stated in <a href="#">the Rooms Act, 2016</a>) and sought input on the work that is done by The Rooms.</p> <p>Approximately 53 stakeholders attended the session, which was held at The Rooms by invitation only. The session consisted of an overview of the Rooms Act, the functions of the Archives, the Art Gallery, the Museum, Programming and Public Engagement and Sustainability, and the Colonial Building as well as small group discussions on specific topics. Facilitators and note-takers were assigned to each table to guide and capture the discussions.</p> <p>The Rooms has responded to feedback received during the December 2017 stakeholder engagement session. For example, in February, The Rooms offered three new Introduction to Contemporary Art Workshops, answering a request from stakeholders for art education beyond creating art.</p> <p>A summary of these sessions are available on <a href="#">The Rooms website</a> . This summary is presented as a short synopsis of the general nature of the comments provided by participants that evening. The full and complete record of all input received during the session is also available online.</p>

2. Compile visitor information beyond demographics by identifying target-specific market segments and gathering visitor feedback

The following research tools were used to help in identifying target-specific market segments:

- A customized report based on data gathered for the 2016 Provincial Visitor Exit Survey Results including detailed information on non-resident visitors to The Rooms.
- Canadian Tourism Commission's Explorer Quotient which provides key insights to better understand travellers by identifying target-specific market segments using psychographic information to indicate purchasing and travel decisions and experience appeal. This information helps to identify who The Rooms best customers are.
- John Falk's "Understanding Visitor Motivation and Learning" identifies visitor motivation and learning styles for visitors of museums and cultural institutions.
- The Rooms has captured postal codes from all visitors enabling target-specific market segmentation through Canada Post audience insights. These insights support in-house marketing analytics by targeting audiences through market segmentation by postal code.

The Rooms used the following mechanisms to capture visitor feedback in a variety of areas:

- Participant evaluation forms are distributed and collected at the end of each workshop/education program.
- Teachers are provided with evaluation forms at the end of every school program.
- A guestbook positioned on Level Two outside the theatre solicits feedback for the whole building; the exhibition "Gerald Squires: Spirit Visible" positioned a guestbook in a prominent position outside the exhibition gallery and comments were captured for the duration of the exhibition; the Beaumont-Hamel and the Trail of the Caribou exhibition captures visitor feedback on the Forget-Me-Not wall as well as a guestbook located at the end of the exhibition.
- The Truth or Myth exhibition features haikus written by local actor, author and comedian Andy Jones in response to works featured in the exhibition — there is a station located within the exhibition that encourages visitors to share their own haiku.
- To assist with breaking down barriers for visitors new to contemporary art, a new gallery located in the Level Four Art Gallery was created in Winter of 2018 to help guide visitors through the exhibition experience. Interactives within this space capture visitor feedback on the adjacent exhibition.
- Ongoing feedback is captured through The Rooms social media channels including Facebook, Twitter and Instagram as well as consumer-use sites such as TripAdvisor.

3. Develop an enhanced Membership Program

Information gathered through a Membership Survey completed in 2016 guided development of the new Membership Program. While the value proposition of free admission coupled with members' discounts offered on programs, events, at the café and gift shop are the greatest incentives to purchase a membership, free members parking has become a key benefit. A Marketing and Communications Plan is currently in development. The plan includes strategic recommendations and a focused marketing strategy for the new Membership Program. Central to the communications and marketing campaign and creative approach and messaging will be positioning the diverse reasons to visit The Rooms beyond static exhibits. The key to this will be working closely to take a multi-prong approach to marketing the programming, special events and other ways visitors can enjoy The Rooms. The plan will use focused messaging and will include smart upselling tactics at point-of-sale along with direct marketing initiatives to targeted groups that will be used to help sell the 'why' behind purchasing a membership.

## PRIORITY 2

<p>4. Develop the Scotiabank Cultural Ambassadors Program</p>	<p>Volunteers make it possible for The Rooms to offer educational programs and special events. In short, volunteers dramatically enhance the visitor experience.</p> <p>During the “Where Once They Stood We Stand” Capital Fundraising Campaign, Scotiabank made a contribution of \$350,000 which was directed towards an expansion of The Rooms Volunteer Program. This generous gift has supported the recruitment, training and development of new volunteers.</p> <p>A trial program was tested in 2016. More than 75 volunteers were recruited to assist with the July 1<sup>st</sup>, 100<sup>th</sup> Anniversary Commemoration of Newfoundland and Labrador’s participation in the First World War.</p> <p>The Rooms Volunteer Program sponsored by Scotiabank was launched the following Spring. In April 2017, The Rooms conducted a Volunteer Recruitment Campaign attracting 250 volunteers to assist in delivering the Cultural Immersion Program. These volunteers became The Rooms Cultural Ambassadors.</p> <p>Each volunteer was required to complete a RNC Check as well as the Gardiner Centre Customer Service Training, The Rooms Program Training, and many have participated in additional training offered throughout the year.</p>
<p>5. Implement a plan to re-position The Rooms to be of greater appeal to residents and visitors – relevant, differentiated, credible and motivational</p>	<p>The Cultural Immersion Program outlined in Priority One focuses on appealing to non-resident visitors, while the Cultural History programs for residents, which include stories and topics from across Newfoundland and Labrador, including the visual arts also outlined in Priority One, focused on appealing to the resident market. In addition the enhanced Membership Program has been a greater appeal to the resident market with memberships increasing by 34 percent over 2016-17.</p> <p>The Rooms has developed an enhanced Marketing and Communications Plan to assist in reaching these audiences. The Plan supports Priority Two of The Rooms Strategic Plan - To Deepen, Broaden and Increase Public Engagement and will be implemented in 2018-19. The Marketing and Communications Plan will evolve and realign The Rooms Brand, effectively reach and engage the resident market, support the continued delivery of non-resident visitors to The Rooms through a laser targeted approach and will support the recruitment and retention of Cultural Ambassadors.</p>



<p>6. Research and identify a measurement strategy</p>	<p>The Rooms will leverage the findings of the 2016 Provincial Visitor Exit Survey. A second customized report based on data specifically pertaining to The Rooms has provided detailed information on non-resident visitors to The Rooms.</p> <p>This data has informed the marketing strategy both in terms of the media channels used and psychographic and behavioral targeting profiles, which will provide a guide for measurement as well as creative messaging.</p> <p>The Marketing and Communications Plan includes a research proposal which will include resident market feedback and test groups.</p> <p>In keeping with best practices in the industry, a substantial portion of The Rooms Marketing and Advertising Plan includes Digital Channels such as The Rooms website and The Rooms social media channels. These channels all have available analytical data which measure the channels usage, performance and can track engagement, frequency and length of visit.</p> <p>The Digital Marketing Plan developed as part of the Marketing and Communications Plan includes strategic objectives and focus areas; identifies target audiences; as well as a measurement strategy that sets online and social media goals for the coming year. Web site measurements include overall site traffic, percentage of return visitors, increase in visitation from the St. John's area, improved average session duration and increased traffic to event and programming related pages. Social Media goals include increase in followers to social media channels, increase in post reach to target audiences and increase in post engagement and page interactions.</p> <p>With the inclusion of e-commerce since June 2017 on The Rooms web site The Rooms has the ability to measure online purchasing, as well as compare and track as purchasing trends year over year.</p>
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**DISCUSSION OF RESULTS**

The Rooms has completed two community consultation sessions; compiled visitor information identifying target-specific market segments and gathered visitor feedback; developed an enhanced Membership Program; created the Scotiabank Cultural Ambassadors Program; implemented a plan to be of greater appeal to residents and visitors; and, has researched and identified a measurement strategy enabling The Rooms to identify its target audience in order to better understand its visitors.

<p><b>SECOND YEAR OBJECTIVE (2018-19)</b></p> <p>By March 31, 2019, The Rooms will have increased memberships by 50 per cent above 2016 and increased visitation by 20 per cent above the three-year average ending March 31, 2017.</p>	
<p>2018-19 Objective Indicators:</p>	<ul style="list-style-type: none"> <li>• The Rooms will have implemented a Communications and Marketing Strategy to broaden and increase public engagement.</li> <li>• The Rooms will have implemented a plan to increase resident market awareness.</li> <li>• The Rooms will have implemented a plan to optimize website and social media engagement.</li> <li>• The Rooms will have implemented a marketing plan for the enhanced membership program.</li> <li>• The Rooms will have developed an engagement and retention plan for The Rooms Cultural Ambassadors.</li> </ul>

Gerald L. Squires  
Light on the Barrens 2005  
Oil on canvas  
137cm x 183cm  
The Rooms Provincial Art Gallery  
Government of Newfoundland and Labrador Collection



## GOVERNANCE AND THE STEWARDSHIP OF PROVINCIAL ASSETS

The Rooms Corporation is a Category 1 Crown Corporation under the Transparency and Accountability Act of the Government of Newfoundland and Labrador. The Board of Directors has adopted a range of governance principles and practices to guide decision-making consistent with the requirements of good governance practice in the public and private sectors. As The Rooms has now been in operation for over a decade, the Corporation's governance principles and practices will be reviewed and, where necessary, revised and updated.

The Rooms will develop a comprehensive risk management registry to address the full range of risks facing the organization.

The probability of particular risks, appropriate mitigation actions and the identification of individuals responsible for various areas of risk will be considered.

As part of an overall risk assessment, The Rooms will complete a physical plant reserve study to determine the schedule for major building repair and create a physical plant reserve fund.

### THREE YEAR GOAL (2017-20)

By March 31, 2020, The Rooms will have reviewed and improved upon governance practices to further ensure The Rooms success.



FIRST YEAR OBJECTIVE (2017-18)

By March 31, 2018, The Rooms will have reviewed and assessed the Corporation’s governance protocols and will have identified areas for consideration and action.

INDICATORS (2017-18)	RESULTS AND BENEFITS
<p>1. Review public policy objectives (eg, tourism) and incorporate in strategy</p>	<p>The Rooms has reviewed “The Way Forward: 2017-20 Provincial Tourism Product Development Plan” and has completed work to support the following initiatives:</p> <ul style="list-style-type: none"> <li>• Augmenting people and program-based brand experiences.</li> <li>• Implementing measures towards understanding value and success.</li> <li>• As a Cultural Anchor Attraction, The Rooms collaborates with operators on developing enhanced experiences.</li> <li>• Collaborating to Compete — a representative of The Rooms sits on Northeast Avalon Destination Development Plan Cultural Attractions Initiative Committee. These sessions have fostered new program development with new and existing partners.</li> <li>• Indigenous Tourism Experiences - The Rooms supports indigenous tourism objectives with the following:             <ul style="list-style-type: none"> <li>o Labrador Interpretation Centre;</li> <li>o Husky Energy Gallery;</li> <li>o Revised panels for Mary March Provincial Museum;</li> <li>o SakKijajuk exhibition and publication;</li> <li>o The Rooms was a partner with the Indigenous Identify Project;</li> <li>o Indigenous Artist in Residence; and,</li> <li>o Indigenous Artists continue to have strong representation in the Provincial Art Bank Program.</li> </ul> </li> </ul> <p>The Rooms supports Canada Council objectives through:</p> <ul style="list-style-type: none"> <li>• A commitment to reflect the diversity of our Province.</li> <li>• A leadership role in engaging with recent immigrants to nurture a sense of belonging.</li> <li>• Support for Indigenous communities to re-connect and explore their Indigenous roots.</li> <li>• A commitment to inclusiveness through community consultation, establishing programming priorities.</li> <li>• A commitment to reflecting Indigenous Peoples in our artistic programming.</li> <li>• Increased representation of work by Indigenous—especially Labrador—artists became a collecting priority.</li> <li>• A commitment to ensuring that the experiences of culturally diverse groups, especially new immigrants, are reflected in programming.</li> </ul>
<p>2. Review the role of The Rooms Foundation of Newfoundland and Labrador</p>	<p>The role of The Rooms Foundation has been reviewed and it has been determined that as The Rooms is not actively fundraising The Rooms Foundation has been made inoperative, however, the Corporation has retained its charitable status.</p>

3. Create a guiding document to identify potential additions to Provincial Collections

In Spring 2017, work was completed on a guiding document that included an ambitious listing of “gaps” in the current collections at The Rooms, as well as challenges associated with addressing them. Obvious areas having little or no documentary/artifactual/art heritage to support them were identified and priority areas for collecting and acquiring materials to fill these voids were discussed and recorded. This work was accomplished through divisional collections surveys, Directors’ meetings, staff consultation and public/researcher feedback on current and topical research trends. A detailed list of potential sources of new and targeted materials for collecting in select areas was also created.

The Museum Division has been reviewing and prioritizing its collecting activities over the past year to address storage space issues as well as strengths and weakness in our collections. This work will inform the Collections Plan to be developed for the institution. An emphasis is being placed on collecting women’s history associated with incoming collections that in the past has tended to be male dominated with, for example, wives being documented simply as “Mrs”.

The Art Gallery identified gaps in the collections that suggested areas for growth, especially increasing representation of Indigenous artwork from Newfoundland and Labrador. Our analysis indicated only 1.25% of our collection represented work by Indigenous artists. Given the importance of societal contributions of Indigenous peoples, The Rooms commits to build collections with better Indigenous representation. Our analysis also identified under-representation for work by emerging and women artists; these are secondary areas for collection growth. The Rooms intends to apply new funding to purchase artworks for our contemporary art collection, to better represent the Province’s diversity and increase direct support to artists through acquisitions of recent work.

DISCUSSION OF RESULTS

The Rooms has reviewed and incorporated public policy objectives into its strategy; has reviewed the role of The Rooms Foundation of Newfoundland and Labrador; and has created a guiding document to identify potential additions to provincial collections. With the completion of these reviews The Rooms has identified areas for consideration and action.

SECOND YEAR OBJECTIVE (2018-19)

By March 31, 2019, The Rooms will have developed a plan to implement new governance protocols.

2018-19 Objective Indicators:

- The Board of Directors Governance Committee will have reviewed The Rooms current governance policies and will have recommended updates to The Rooms Governance Policy.
- The Rooms will have developed a plan to revise accessibility requirements to meet the current Provincial Government accessibility standards.
- The Rooms will have undertaken a physical plant assessment to determine the schedule for building repairs.
- The Rooms will have conducted an organizational risk assessment to guide the development of a riskmanagement strategy.
- The Rooms Board of Directors Governance Committee will have reviewed the Government of Newfoundland and Labrador’s **Harassment-Free Workplace Policy** and will have made recommendations to The Rooms Board of Directors on best practices.



## OPPORTUNITIES & CHALLENGES AHEAD

### OPPORTUNITIES

Newfoundland and Labrador's tourism marketing strategy continues to produce strong visitation levels, a trend which provides exceptional opportunities for The Rooms to increase its own visitor-base and, in turn, the percentage of its annual budget that it can derive from earned revenue - admissions, rentals, gift shop and restaurant sales. Furthermore, the March 2018 tourism exit survey found that 93% of visitors to The Rooms share their travel experiences on a variety of social media platforms, experiences which have been given an average satisfaction rating of 90% by 90% of visitors.

The artifacts, visual art and archival collections at The Rooms represent a nearly inexhaustible source of content for the development of programs and exhibitions of interest to both visitors and residents in the years ahead. The photographic

collection alone contains more than 2 million images, each with its own story to engage visitors with the unique culture of Newfoundland and Labrador. Indeed, it is the potential of this rich resource which will sustain The Rooms for decades to come.

### CHALLENGES

The process of revealing the stories embedded in its collections will continue to be challenging. Program and exhibition development is inherently labour-intensive and The Rooms has a relatively small staff to manage a broad range of functions. The balancing of collections management and other "back of house" functions with the development and presentation of programs and exhibitions focused on the visiting public is a central challenge for all museums and will be a key challenge for The Rooms in the years ahead.



# APPENDIX FINANCIAL STATEMENTS



**THE ROOMS CORPORATION OF  
NEWFOUNDLAND AND LABRADOR**

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**



## Management's Report

### *Management's Responsibility for 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.

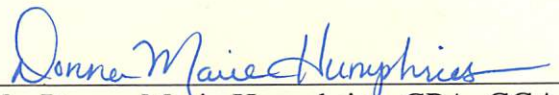
The Auditor General conducts an independent audit of the annual financial statements of the Board in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of The Rooms Corporation of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

On behalf of The Rooms Corporation of Newfoundland and Labrador.



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Mr. Dean Brinton  
Chief Executive Officer



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Ms. Donna Marie Humphries, CPA, CGA  
Director of Finance





**AUDITOR  
GENERAL**  
of Newfoundland and Labrador

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**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 Rooms Corporation of Newfoundland and Labrador which comprise the statement of financial position as at March 31, 2018, the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



**JULIA MULLALEY, CPA, CA**  
**Auditor General**

August 9, 2018  
St. John's, Newfoundland and Labrador



# THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

## STATEMENT OF FINANCIAL POSITION

As at March 31

2018

2017

### FINANCIAL ASSETS

Cash	\$ 2,915,699	\$ 2,021,080
Accounts receivable (Note 4)	915,041	807,743
Inventory held for resale	333,096	332,792
Restricted cash (Note 6)	499,071	643,618
	<u>4,662,907</u>	<u>3,805,233</u>

### LIABILITIES

Accounts payable and accrued liabilities (Note 7)	1,094,262	938,562
Employee future benefits (Note 9)	982,112	995,702
Deferred revenue (Note 8)	499,071	643,618
	<u>2,575,445</u>	<u>2,577,882</u>

### Net financial assets

2,087,462      1,227,351

### NON-FINANCIAL ASSETS

Prepaid expenses	8,021	34,743
Tangible capital assets (Note 10)	13,026,432	13,264,657
	<u>13,034,453</u>	<u>13,299,400</u>

### Accumulated surplus

\$ 15,121,915      \$ 14,526,751

Accumulated surplus is comprised of:

Accumulated operating surplus	<u>\$ 15,121,915</u>	<u>\$ 14,526,751</u>
	<u>\$ 15,121,915</u>	<u>\$ 14,526,751</u>

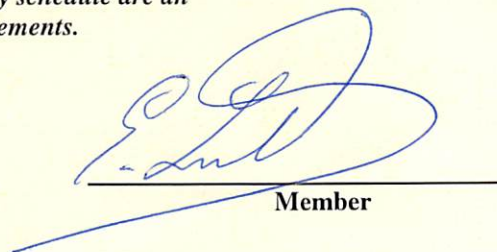
Trusts (Note 14)

Contractual obligations (Note 15)

*The accompanying notes and supplementary schedule 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

	2018 Budget	2018 Actual	2017 Actual
	(Note 17)		
<b>REVENUES (Schedule 1)</b>			
Province of Newfoundland and Labrador			
Operating grants	\$ 6,623,600	\$ 6,615,800	\$ 6,601,340
Contributions to employee benefits (Note 13)	-	629,299	685,452
Commercial operations (Note 12)	1,268,900	1,483,641	1,351,937
Government of Canada	95,000	283,836	235,091
Corporate sponsorship	380,000	592,681	180,000
External funding	-	92,763	600,395
	<b>8,367,500</b>	<b>9,698,020</b>	<b>9,654,215</b>
<b>EXPENSES (Schedule 1)</b>			
Archives division	847,962	903,725	1,162,986
Art gallery division	1,291,477	814,112	933,442
Corporate services and building operations	4,170,827	5,385,341	5,622,852
Education programs	705,968	778,414	572,955
Museum division and regional museums	1,351,266	1,462,101	1,272,244
	<b>8,367,500</b>	<b>9,343,693</b>	<b>9,564,479</b>
<b>Annual operating surplus, prior to capital improvement donations</b>	-	354,327	89,736
<b>Capital improvement donations</b>	-	240,837	1,961,751
<b>Annual operating surplus</b>	-	595,164	2,051,487
<b>Accumulated operating surplus, beginning of year</b>	14,526,751	14,526,751	12,475,264
<b>Accumulated operating surplus, end of year</b>	<b>\$ 14,526,751</b>	<b>\$ 15,121,915</b>	<b>\$ 14,526,751</b>

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

**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
For the Year Ended March 31

2018

2017

<b>Accumulated remeasurement losses, beginning of year</b>	\$ -	\$ -
Unrealized losses attributable to:		
Portfolio investments	-	(311)
Amounts reclassified to statement of operations:		
Portfolio investments (Note 5)	-	311
<b>Change in remeasurement losses for the year</b>	-	-
<b>Accumulated remeasurement losses, end of year</b>	\$ -	\$ -

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



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

	2018 Budget	2018 Actual	2017 Actual
	(Note 17)		
Annual operating surplus	\$ -	\$ 595,164	\$ 2,051,487
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	(443,419)	(1,940,714)
Amortization of tangible capital assets	-	681,644	590,265
	-	238,225	(1,350,449)
<b>Changes in other non-financial assets</b>			
Net use of prepaid expenses	-	26,722	9,014
	-	26,722	9,014
<b>Increase in net financial assets</b>	-	860,111	710,052
<b>Net financial assets, beginning of year</b>	<b>1,227,351</b>	<b>1,227,351</b>	<b>517,299</b>
<b>Net financial assets, end of year</b>	<b>\$ 1,227,351</b>	<b>\$ 2,087,462</b>	<b>\$ 1,227,351</b>

*The accompanying notes and supplementary schedule 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

2018

2017

**Operating transactions**

Annual operating surplus	\$ 595,164	\$ 2,051,487
Adjustment for non-cash items		
Amortization	681,644	590,265
Loss on sale of portfolio investments	-	311
	<b>1,276,808</b>	<b>2,642,063</b>
Change in non-cash operating items		
Accounts receivable	(107,298)	1,161,063
Due from the Rooms Foundation	-	3,560,997
Inventory held for resale	(304)	9,718
Restricted cash	144,547	(459,785)
Accounts payable and accrued liabilities	155,700	(634,081)
Employee future benefits	(13,590)	234,686
Deferred revenue	(144,547)	(156,390)
Prepaid expenses	26,722	9,014
<b>Cash provided from operating transactions</b>	<b>1,338,038</b>	<b>6,367,285</b>
<b>Capital transactions</b>		
Additions to capital assets	(443,419)	(1,940,714)
<b>Cash applied to capital transactions</b>	<b>(443,419)</b>	<b>(1,940,714)</b>
<b>Investing transactions</b>		
Acquisition of portfolio investments	-	(101,103)
Proceeds from disposals of portfolio investments	-	100,792
<b>Cash applied to investing transactions</b>	<b>-</b>	<b>(311)</b>
<b>Increase in cash</b>	<b>894,619</b>	<b>4,426,260</b>
<b>Cash (bank indebtedness), beginning of year</b>	<b>2,021,080</b>	<b>(2,405,180)</b>
<b>Cash, end of year</b>	<b>\$ 2,915,699</b>	<b>\$ 2,021,080</b>

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



# THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR

## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

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### 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), 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. Summary of significant accounting policies

#### (a) Basis of accounting

The Corporation is classified as a Government Not-For-Profit Organization as defined by the Canadian Public Sector Accounting Standards (CPSAS). 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 (PSAB). 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, 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 ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**2. Summary of significant accounting policies (cont.)**

**(b) Financial instruments (cont.)**

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

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

Income attributable to financial instruments is reported in the statement of operations.

**(c) Cash**

Cash includes operational floats and balances with banks that fluctuate from positive to negative.

**(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 40 years



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**2. Summary of significant accounting policies (cont.)**

**(f) Tangible capital assets (cont.)**

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.

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, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at carrying value.

**(g) Employee future benefits**

The cost of severance pay and accumulating, non-vesting sick leave benefits are actuarially determined using management's best estimate of termination rates, utilization rates, compensation increases and a discount rate.

Under the *Rooms Act*, Corporation employees are considered to be employed in the public service for the purposes of the *Public Service Pensions Act, 1991*. Employee contributions are matched by the Province and remitted to Provident<sup>10</sup> from which pensions will be paid to employees when they retire. This pension plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

The contributions of the Corporation to the plan is recorded as an expense for the year.

**(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.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**2. Summary of significant accounting policies (cont.)**

**(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 recognized as deferred revenue in the statement of financial position and recognized in the statement of operations in the fiscal year in which the related expenses are incurred.

**(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 collectability of accounts receivable, the expected useful life of tangible capital assets, estimated employee future benefits and the valuation of donated acquisitions.

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.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**3. Changes in accounting policies**

**(a) New accounting standards**

On April 1, 2017, the Corporation adopted the following five new CPSAS Handbook Sections:

*PS 2200 Related Party Disclosures* – a new standard defining related parties and establishing disclosure requirements for related party transactions.

*PS 3210 Assets* – a new standard providing guidance for applying the definition of assets and establishing general disclosure requirements for assets but does not provide guidance for the recognition and disclosure of specific types of assets.

*PS 3320 Contingent Assets* – a new standard defining and establishing disclosure requirements for contingent assets but does not include disclosure standards for specific types of contingent assets.

*PS 3380 Contractual Rights* – a new standard defining and establishing disclosure requirements for contractual rights but does not include disclosure standards for specific types of contractual rights.

*PS 3420 Inter-entity Transactions* – a new standard on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

These accounting changes had no significant impact on the financial statements.

**(b) Accounting pronouncement**

The PSAB has issued *PS 3430 Restructuring Transactions* which is effective April 1, 2018. This is a new standard on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities. The standard has not been applied in these financial statements.

The Corporation plans to adopt this standard by the effective date and is currently analyzing the impact the standard will have on the financial statements.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

**4. Accounts receivable**

	2018	2017
Province of Newfoundland and Labrador	\$ 760,301	\$ 562,324
Government of Canada	-	98,084
Harmonized Sales Tax	83,612	46,414
Other	71,128	100,921
	<b>\$ 915,041</b>	<b>\$ 807,743</b>

There is no allowance for doubtful accounts as all amounts are considered collectible.

**5. Portfolio investments**

During the 2016-17 fiscal year, the Corporation received a donation of 2,300 shares of New Flyer Ind Com at a cost of \$101,103. During the 2016-17 fiscal year, the Corporation sold the shares for \$100,792. The loss of \$311 was reported in the statement of operations.

**6. Restricted cash**

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

	2018	2017
Corporate Donor - Educational Programming	\$ 45,000	\$ 45,000
External Funding - Archives Project	-	9,999
Permanent Collections Donations	25,625	15,625
Private Donor - B-17 Bomber Exhibit	1,600	1,600
Private Donor - First World War Exhibit	415,196	559,744
Private Donor - Mining Exhibit	5,000	5,000
Provincial Government - Logger's Life Museum	6,650	6,650
	<b>\$ 499,071</b>	<b>\$ 643,618</b>

**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

**7. Accounts payable and accrued liabilities**

	2018	2017
Trade accounts payable	\$ 680,405	\$ 516,893
Accrued salaries	132,390	134,728
Accrued overtime and leave	281,467	286,941
	<b>\$ 1,094,262</b>	<b>\$ 938,562</b>

**8. Deferred revenue**

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement. 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 6. As at March 31, 2018, funds received are reported as follows:

	Balance at beginning of year	Receipts during year	Transferred to revenue	Balance at end of year
Donations	\$ 636,968	\$ 690,000	\$ 834,547	\$ 492,421
Provincial Government	6,650	-	-	6,650
	<b>\$ 643,618</b>	<b>\$ 690,000</b>	<b>\$ 834,547</b>	<b>\$ 499,071</b>

**9. Employee future benefits**

**(a) Employee future benefits liability**

	2018			2017
	Severance pay	Accumulating non-vesting sick leave benefits	Total employee benefits	Total employee benefits
Accrued employee future benefit obligations, end of year	\$ 871,520	\$ 70,429	\$ 941,949	\$ 913,423
Unamortized actuarial gain, end of year	28,580	11,583	40,163	82,279
Employee future benefits liability, end of year	<b>\$ 900,100</b>	<b>\$ 82,012</b>	<b>\$ 982,112</b>	<b>\$ 995,702</b>



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

**9. Employee future benefits (cont.)**

**(b) Change in employee future benefits liability**

	2018			2017
	Severance pay	Accumulating non-vesting sick leave benefits	Total employee benefits	Total employee benefits
Current period benefit cost	\$ 62,512	\$ 8,345	\$ 70,857	\$ 145,598
Interest on accrued benefit obligation	32,146	2,788	34,934	58,154
Amortization of actuarial gains	(5,965)	(364)	(6,329)	(6,329)
Other adjustments	(103,710)	-	(103,710)	128,502
Employee future benefits expense	(15,017)	10,769	(4,248)	325,925
Less: benefits payments	-	(9,342)	(9,342)	(91,239)
Change in employee future benefits liability	\$ (15,017)	\$ 1,427	\$ (13,590)	\$ 234,686

**(c) 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 non-unionized employees with nine years of continuous service. Severance is payable when the non-unionized employee ceases employment with the Corporation provided no severance has been paid by Government or another Crown corporation or agency for the same period.

During the year, the Province of Newfoundland and Labrador signed a new collective agreement with the union representing the Corporation's unionized employees. The Corporation's unionized employees with at least one year of service are entitled to one week of salary for each complete year of service as at March 31, 2018, to a maximum of 20 weeks. Unionized employees have the option of receiving their severance entitlement prior to March 31, 2019 or they may defer receiving their entitlement to a later date. Unionized employees would receive any remaining entitlement when they cease employment with the Corporation unless the employee transfers to another entity in the public service in which case any remaining entitlement is transferred with the employee



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**9. Employee future benefits (cont.)**

**(c) Employee future benefits (cont.)**

**(i) Severance pay (cont.)**

to the other entity. Unionized employees will not accrue severance after March 31, 2018. The elimination of future service in determining the Corporation's severance liability for its unionized employees resulted in a plan curtailment and a settlement of \$103,710 and has been reported as other adjustments.

On May 31, 2018, the Province of Newfoundland and Labrador enacted legislation affecting severance pay for executive, managers, non-management/non-union employees as outlined in Note 20.

**(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.

**(iii) Actuarial valuation**

The accrued benefit obligations for employee future benefit plans as at March 31, 2018, have been based on an actuarial extrapolation for accounting purposes to March 31, 2018 (valuation date as of March 31, 2015). For the year ended March 31, 2018, a severance liability was calculated for 66 employees and a sick leave liability was calculated for 56 employees.

The actuarial extrapolation is based on assumptions about future events. The economic assumptions used in this extrapolation are the Corporation's best estimates of compensation increases of 3.75% per annum and discount rate of 3.70%. Other assumptions used in the extrapolation include estimates of expected termination rates and utilization rates.

Actuarial assumptions are reviewed and assessed on a regular basis to ensure that the accounting assumptions take into account various changing conditions and reflect the Corporation's best estimate of expectations over the long-term.

Experience gains or losses are amortized over 14 years, which is the estimated average remaining service life of active employees. The amortization amount will be included as an expense in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

**9. Employee future benefits (cont.)**

**(c) Employee future benefits (cont.)**

**(iv) Pension contributions**

The Corporation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pensions Act* (the *Act*). The plan is administered by Provident<sup>10</sup>, including payment of pension benefits to employees to whom the *Act* applies.

The maximum contribution rate for eligible employees was 11.85% (2017 - 11.85%). The Corporation's contributions equal the employee contributions to the plan. The pension expense for the Corporation for the year ended March 31, 2018 was \$343,920 (2017 - \$373,635).

Employees who do not qualify to participate in the Public Service Pension Plan (for example, part-time employees) participate in the Government Money Purchase Pension Plan (GMPP). The GMPP is a defined contribution plan which was established under the *Government Money Purchase Pension Plan Act*. Employees are required to contribute 5% of regular earnings which is matched by the Corporation. Employees may make additional voluntary contributions, however, the maximum amount for all contributions may not exceed the lesser of 18% of an employee's earnings and the maximum amount allowed as specified under the *Income Tax Act*. Total GMPP expense for the Corporation for the year ended March 31, 2018, was \$17,086 (2017 - \$12,942).

**10. Tangible capital assets**

**Original Cost**

	Balance March 31, 2017	Additions	Disposals/ Transfers	Balance March 31, 2018
Furniture	\$ 772,924	\$ 19,568	\$ -	\$ 792,492
Equipment	876,100	164,726	-	1,040,826
Motor vehicles	21,387		-	21,387
Building improvements	14,738,127	232,725	-	14,970,852
Capital assets transferred (Note 11)	1		-	1
Work in progress	25,045	26,400	-	51,445
	<u>\$ 16,433,584</u>	<u>\$ 443,419</u>	<u>\$ -</u>	<u>\$ 16,877,003</u>



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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

**Accumulated Amortization**

	Balance March 31, 2017	Amortization	Disposals	Balance March 31, 2018	Net book value March 31, 2018	Net book value March 31, 2017
Furniture	\$ 681,137	\$ 21,301	\$ -	\$ 702,438	\$ 90,054	\$ 91,787
Equipment	758,699	14,926	-	773,625	267,201	117,401
Motor vehicles	6,416	4,278	-	10,694	10,693	14,971
Building						
Improvements	1,722,674	641,139	-	2,363,813	12,607,039	13,015,453
Capital assets transferred (Note 11)	1	-	-	1	-	-
Work in progress	-	-	-	-	51,445	25,045
	\$ 3,168,927	\$ 681,644	\$ -	\$ 3,850,571	\$ 13,026,432	\$ 13,264,657

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.

**11. 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, 2018**

**12. Commercial operations**

Commercial operations revenue is comprised as follows:

	2018	2017
Admission revenue	\$ 732,766	\$ 654,699
Gift shop sales	379,526	388,760
Other revenue	219,674	223,217
Interest income	151,675	85,261
	<b>\$ 1,483,641</b>	<b>\$ 1,351,937</b>

**13. Related party transactions**

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, Industry and Innovation. Expenses incurred by the Province, related to salaries and benefits totaling \$4,534,992 (2017 - \$4,717,966), are reflected in these financial statements as expenses of the Corporation and as revenue from the Province. Included in this total is \$629,299 (2017 - \$685,452), related to the employer's share of employee benefits, paid by the Department of Finance on behalf of the Corporation.

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.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**14. 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 2017.

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, 2018, the Corporation has received funds totaling \$22,465,112 (2017 - \$22,465,112) and incurred expenses totaling \$16,034,934 (2017 - \$14,948,140) related to the Project. During the year ended March 31, 2018, expenses of \$1,086,794 (2017 - \$402,850) were incurred related to the Project. The balance of funds held in trust by the Corporation as at March 31, 2018 was \$6,430,178 (2017 - \$7,516,972).

**15. Contractual obligations**

(a) Facility Management Contract

The Corporation has entered into an annual facility management contract representing commitments of approximately \$155,000 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) Equipment and Vehicle Leases

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

2019	<b>\$ 4,169</b>
-	<b>\$ 4,169</b>



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**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 \$625,559 (2017 - \$195,683).

**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 Corporation is exposed to credit risk, liquidity risk and market risk through its financial instruments. There were no significant changes in the Corporation's exposure to these risks or its processes for managing these risks from the prior year.

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 this financial instrument is 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 15.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2018**

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**18. 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 and other price risk. The Corporation is not exposed to significant interest rate risk related to cash or restricted cash because of its nature.

**19. Non-financial assets**

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Corporation. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Corporation's objectives.

**20. Subsequent event**

On May 31, 2018, the Province of Newfoundland and Labrador enacted legislation affecting severance pay for executives, managers, and non-management/non-union employees. Effective June 1, 2018, these non-union employees with at least one year of continuous service will be entitled to one week of salary for each complete year of service to a maximum of 20 weeks. The value of severance will be based on an employee's rate of pay as of May 31, 2018, and no additional severance will accrue beyond May 31, 2018. Employees may elect to receive all of their entitlement by March 31, 2019, or they may defer receiving their entitlement to a later date. The Corporation is assessing the effect that the legislation will have on its severance liability for its executive, managers and non-management/non-union employees.



**THE ROOMS CORPORATION OF NEWFOUNDLAND AND LABRADOR**

**SCHEDULE 1**

**REVENUES AND EXPENSES BY SECTOR**

For the Year Ended March 31, 2018

	<u>Corporate Services and Building Operations</u>	<u>Archives Division</u>	<u>Art Gallery Division</u>	<u>Museum Division and Regional Museums</u>	<u>Education Programs</u>	<u>2018 Total</u>	<u>2017 Total</u>
<b>REVENUES</b>							
Province of Newfoundland & Labrador							
Operating grants	\$ 3,434,371	\$ 781,177	\$ 471,127	\$ 1,446,151	\$ 482,974	\$ 6,615,800	\$ 6,601,340
Contribution to employee benefits (Note 13)	629,299	-	-	-	-	629,299	685,452
Commercial operations (Note 12)	1,360,508	26,335	67,862	13,496	15,440	1,483,641	1,351,937
Government of Canada	-	8,713	275,123	-	-	283,836	235,091
Corporate sponsorship	312,681	-	-	-	280,000	592,681	180,000
External funding	2,809	87,500	-	2,454	-	92,763	600,395
	<u>5,739,668</u>	<u>903,725</u>	<u>814,112</u>	<u>1,462,101</u>	<u>778,414</u>	<u>9,698,020</u>	<u>9,654,215</u>
<b>EXPENSES</b>							
Advertising and promotion	228,656	-	510	1,371	11,717	242,254	467,030
Amortization	681,644	-	-	-	-	681,644	590,265
Appraisals and acquisitions	-	9,536	93,055	9,030	-	111,621	93,216
Bad debt expense	1,152	-	-	-	-	1,152	-
Building expenses	1,942,358	871	45,701	71,862	36,845	2,097,637	1,897,024
Conference and registration fees	10,626	2,102	1,193	4,945	266	19,132	13,490
Core programming	68,158	25,354	252,317	50,570	132,546	528,945	677,882
Cost of gift shop sales	318,478	-	-	28,010	-	346,488	338,243
Donations	-	-	-	180	-	180	5,430
Employee future benefits	199,921	113,887	52,885	175,116	73,900	615,709	908,809
Loss on sale of portfolio investments	-	-	-	-	-	-	311
Meeting expenses	9,216	432	2,076	588	653	12,965	9,805
Office equipment and supplies	54,427	13,250	3,617	13,603	3,010	87,907	59,559
Professional services	251,969	7,777	13,449	37,541	31,011	341,747	158,557
Salaries	1,334,503	720,648	324,946	1,045,475	480,121	3,905,693	4,032,514
Telecommunications and courier	47,513	3,403	2,131	10,080	2,624	65,751	64,816
Travel	38,928	6,465	22,232	13,730	5,721	87,076	81,867
Unrecoverable HST	197,792	-	-	-	-	197,792	165,661
	<u>5,385,341</u>	<u>903,725</u>	<u>814,112</u>	<u>1,462,101</u>	<u>778,414</u>	<u>9,343,693</u>	<u>9,564,479</u>
Annual operating surplus, prior to capital improvement donations	354,327	-	-	-	-	354,327	89,736
Capital improvement donations	240,837	-	-	-	-	240,837	1,961,751
Annual operating surplus	<u>\$ 595,164</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 595,164</u>	<u>\$ 2,051,487</u>



