# THE MARITIME MUSEUM OF BRITISH COLUMBIA SOCIETY

## FINANCIAL STATEMENTS

## MARCH 31, 2026

# THE MARITIME MUSEUM OF BRITISH COLUMBIA SOCIETY

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THE GRAPHITE GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS

# INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of
The Maritime Museum of British Columbia Society

We have reviewed the accompanying financial statements of The Maritime Museum of British Columbia Society that comprise the statement of financial position as at March 31, 2026, and the statements of operations and changes in net 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 accounting standards for not-for-profit organizations, 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.

## Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

## Basis for Qualified Conclusion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were unable to determine whether any adjustments might be necessary to current assets and net assets as at March 31, 2026 and revenue, excess of revenues over expenses, and cash flows from operations for the year then ended.

**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT, continued**

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of The Maritime Museum of British Columbia Society as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Victoria, British Columbia
September 17, 2026

CHARTERED PROFESSIONAL ACCOUNTANTS

# THE MARITIME MUSEUM OF BRITISH COLUMBIA SOCIETY

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2026

| | Operating Funds | | | | 2026 | 2025 |
|---|---|---|---|---|---|---|
| | General | Internally Restricted | Capital Asset & Collection Fund | Endowment Fund | **Total** | Total |
| CURRENT ASSETS | | | | | | |
| Cash and cash equivalents | $ 132,969 | $ - | $ - | $ 13 | **$ 132,982** | $ 228,820 |
| Accounts receivable | 2,312 | - | - | - | **2,312** | 28,039 |
| Inventory | 10,962 | - | - | - | **10,962** | 8,888 |
| Prepaid expenses | 16,027 | - | - | - | **16,027** | 10,915 |
| Due from (to) other funds | 8,647 | (8,634) | - | (13) | **-** | - |
| | 170,917 | (8,634) | - | - | **162,283** | 276,662 |
| INVESTMENTS (Note 3) | - | 274,287 | - | - | **274,287** | 1,136,690 |
| TANGIBLE CAPITAL ASSETS (Note 4) | - | - | 9,685 | - | **9,685** | 10,361 |
| COLLECTION AND EXHIBITS (Note 5) | - | - | 1 | - | **1** | 1 |
| | $ 170,917 | $ 265,653 | $ 9,686 | $ - | **$ 446,256** | $ 1,423,714 |
| CURRENT LIABILITIES | | | | | | |
| Accounts payable and accrued liabilities (Note 6) | $ 30,557 | $ - | $ - | $ - | **$ 30,557** | $ 40,282 |
| Deferred revenue | 4,358 | - | - | - | **4,358** | 5,553 |
| | 34,915 | - | - | - | **34,915** | 45,835 |
| FUND BALANCES | | | | | | |
| Unrestricted | 136,002 | - | - | - | **136,002** | 197,052 |
| Internally restricted (Note 7) | - | 265,653 | - | - | **265,653** | 1,147,601 |
| Endowment (Note 8) | - | - | - | - | **-** | 22,864 |
| Invested in capital assets | - | - | 9,686 | - | **9,686** | 10,362 |
| | 136,002 | 265,653 | 9,686 | - | **411,341** | 1,377,879 |
| | $ 170,917 | $ 265,653 | $ 9,686 | $ - | **$ 446,256** | $ 1,423,714 |

Commitments (Note 9)
Subsequent event (Note 13)

Approved by the Board:

Director

Director

See accompanying notes to the financial statements.

# THE MARITIME MUSEUM OF BRITISH COLUMBIA SOCIETY

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2026

| | Operating Funds | | | | **2026** | 2025 |
|---|---|---|---|---|---|---|
| | General | Internally Restricted | Capital Asset & Collection Fund | Endowment Fund | **Total** | Total |
| REVENUES | | | | | | |
| Admissions | $ 52,926 | $ - | $ - | $ - | **$ 52,926** | $ 53,356 |
| Events | 82,968 | - | - | - | **82,968** | 88,405 |
| Gift shop and other | 42,680 | - | - | - | **42,680** | 28,687 |
| Interest and miscellaneous | 40,051 | - | - | 182 | **40,233** | 54,120 |
| Memberships | 9,486 | - | - | - | **9,486** | 8,314 |
| Programs | 19,122 | - | - | - | **19,122** | 16,328 |
| Rental income | 5,641 | - | - | - | **5,641** | 5,456 |
| | 252,874 | - | - | 182 | **253,056** | 254,666 |
| GIFTS AND DONATIONS | 352,538 | - | - | 3,080 | **355,618** | 565,522 |
| GRANTS | | | | | | |
| Federal | 60,375 | - | - | - | **60,375** | 54,241 |
| Municipal | 5,736 | - | - | - | **5,736** | 7,020 |
| Other | - | - | - | - | **-** | 47,562 |
| Provincial - gaming and other | 94,000 | - | - | - | **94,000** | 125,750 |
| | 160,111 | - | - | - | **160,111** | 234,573 |
| TOTAL REVENUE | 765,523 | - | - | 3,262 | **768,785** | 1,054,761 |
| EXPENSES | | | | | | |
| Accounting | 31,052 | - | - | - | **31,052** | 28,813 |
| Amortization | - | - | 6,074 | - | **6,074** | 13,114 |
| Bank charges and interest | 11,370 | - | - | - | **11,370** | 8,233 |
| Building development | 12,037 | - | - | - | **12,037** | 10,359 |
| Collection and exhibits | 79,885 | - | - | 8,254 | **88,139** | 75,730 |
| Donations to Victoria Foundation | 600 | 881,948 | | 13,441 | **895,989** | 10,000 |
| Equipment and maintenance | 8,447 | - | - | - | **8,447** | 11,931 |
| Events | 65,012 | - | - | - | **65,012** | 64,031 |
| Facility rental | 81,276 | - | - | - | **81,276** | 88,731 |
| Freight and postage | 1,084 | - | - | - | **1,084** | 2,484 |
| Gift shop - cost of goods sold | 10,712 | - | - | - | **10,712** | 11,539 |
| Insurance | 11,380 | - | - | - | **11,380** | 10,572 |
| Licenses, dues and subscriptions | 26,465 | - | - | - | **26,465** | 24,195 |
| Marketing and promotion | 9,802 | - | - | - | **9,802** | 11,713 |
| Office and travel | 6,726 | - | - | - | **6,726** | 6,246 |
| Professional fees | 2,870 | - | - | - | **2,870** | 3,486 |
| Salaries and benefits | 459,579 | - | - | - | **459,579** | 512,530 |
| Supplies | 7,309 | - | - | - | **7,309** | 5,927 |
| TOTAL EXPENSES | 825,606 | 881,948 | 6,074 | 21,695 | **1,735,323** | 899,634 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | (60,083) | (881,948) | (6,074) | (18,433) | **(966,538)** | 155,127 |
| FUND BALANCES, beginning of year | 197,052 | 1,147,601 | 10,362 | 22,864 | **1,377,879** | 1,222,752 |
| Interfund transfers | | | | | | |
| Transfer from endowment (Note 8) | 4,431 | - | - | (4,431) | **-** | - |
| Purchase of capital assets | (5,398) | - | 5,398 | - | **-** | - |
| FUND BALANCES, end of year | $ 136,002 | $ 265,653 | $ 9,686 | $ - | **$ 411,341** | $ 1,377,879 |

See accompanying notes to the financial statements.

# THE MARITIME MUSEUM OF BRITISH COLUMBIA SOCIETY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

| | 2026 | 2025 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | **$ (966,538)** | $ 155,127 |
| Adjustments for non-cash items: | | |
| Amortization | **6,074** | 13,114 |
| Changes in non-cash working capital: | | |
| Accounts receivable | **25,727** | 4,581 |
| Inventory | **(2,074)** | 610 |
| Prepaid expenses | **(5,112)** | 304 |
| Accounts payable and accrued liabilities | **(9,725)** | 2,596 |
| Deferred revenue | **(1,195)** | 747 |
| | **(952,843)** | 177,079 |
| INVESTING ACTIVITIES | | |
| Sale (purchase) of investments, net | **862,403** | (586,714) |
| Purchase of tangible capital assets | **(5,398)** | (9,151) |
| | **857,005** | (595,865) |
| INCREASE (DECREASE) IN CASH AND EQUIVALENTS | **(95,838)** | (418,786) |
| CASH AND EQUIVALENTS, beginning of year | **228,820** | 647,606 |
| CASH AND EQUIVALENTS, end of year | **$ 132,982** | $ 228,820 |
| OTHER INFORMATION | | |
| Cash flow from interest received | **$ 59,552** | $ 55,100 |

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2026

## 1. Nature of operations

The Maritime Museum of British Columbia Society (the "Society") is a not-for-profit organization incorporated provincially under the *Society Act* of British Columbia. The purpose of the Society is to engage communities in witnessing and preserving maritime heritages. As a registered charity, the Society is exempt from the payment of income tax under Section 149(1) of the federal *Income Tax Act*.

## 2. Significant accounting policies

(a) Basis of presentation

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with financial institutions maturing within 90 days.

(c) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(d) Fund accounting restricted

The Society follows the restricted fund method of accounting for contributions.

The Operating Funds account for the Society's programs delivery and administrative activities. The General Fund reports unrestricted resources and externally restricted operating grants. The Internally Restricted Fund reports resources received from bequests and other sources reserved for future use (Note 7).

The Capital Asset and Collection Fund reports assets, liabilities, revenue and expenses related to the Society's capital assets. It is the Society's policy to carry the museum collection at a nominal amount of $1.

The Endowment Fund reports restricted resources that are to be used for specific purposes. The Endowment Fund reports assets, liabilities, revenues and expenses related to resources contributed as endowments for purposes which are externally restricted in their use (Note 8). The Board of Directors have passed resolutions to de-recognize the Endowment Fund.

(e) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are periodically reviewed and any adjustments are reported in net assets in the period in which they become known. Actual results could differ from those estimates and may have impact on future periods.

2. **Significant accounting policies, continued**

(e) Measurement uncertainty, continued

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. Areas requiring the use of management estimates include the useful life of assets for amortization, the net realizable value of the inventories, and the accrual of liabilities.

(f) Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of the excess of revenues over expenses. Investments for which there is not an active market are carried at amortized cost except when it is established that their fair value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of the excess of revenues over expenses. Accrued interest is recorded as a component of accounts receivable.

Investments held in the Internally Restricted fund are as classified as non-current as they are not available for current use.

(g) Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Expenditures for assets expected to be used for more-than one year and expenditures which substantially increase the expected useful life of existing assets are capitalized. Amortization is provided for using the straight-line method over the estimated useful lives as follows for the major classes of assets:

| | |
|---|---|
| Computer equipment | 3 years |
| Equipment | 5 years |
| Infrastructure and renovation | 25 years |
| Leasehold improvements | term of lease |
| Signage | 5 years |

(h) Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the General Operating Fund in the year in which the related expenses are incurred. All other contributions are recognized as revenue of the appropriate fund in the year received.

Contributions are recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowments are recognized as revenue of the Endowment Fund. Investment income earned on any Endowment Fund resources is recognized as revenue of the Operating Fund unless otherwise directed by the donor.

Admission, membership, gift shop, program, fundraising and rental income are all recognized as earned. Unearned amounts are recorded as deferred revenue.

2. **Significant accounting policies, continued**

(i) Financial instruments

(i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost on a straight-line line basis include cash and cash equivalents, investments and accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and accrued liabilities.

(ii) Financial instrument risks

Unless otherwise noted it is management's opinion that the Society is not exposed to significant interest, currency, market, liquidity or credit risks arising from these financial instruments.

(j) Contributed services

The operations of the Society depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably estimated and are therefore not reflected in these financial statements.

3. **Investments**

| | 2026 | 2025 |
|---|---|---|
| Guaranteed investment certificate(s) bearing interest at 3.25% (2025: 3.25% to 4.80%) per annum maturing August 14, 2026. (2025: July 23, 2025 to August 14, 2026). | $ 274,287 | $ 1,136,690 |

Investments can be redeemed prior to maturity subject to an interest penalty.

## 4. Tangible capital assets

| | 2026 | | | 2025 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net Carrying Amount | Net Carrying Amount |
| Computer equipment | $ 35,202 | $ 29,508 | $ 5,694 | $ 3,423 |
| Equipment | 169,142 | 168,075 | 1,067 | 1,821 |
| Infrastructure and renovation | 1 | - | 1 | 1 |
| Leasehold improvements | 70,964 | 68,041 | 2,923 | 5,116 |
| Signage | 11,379 | 11,379 | - | - |
| | $ 286,688 | $ 277,003 | $ 9,685 | $ 10,361 |

## 5. Collection and exhibits

The collection, exhibits and other archive material are shown at a nominal value of $1. The Society's collection is currently insured for $2,800,000.

## 6. Government remittances payable

Accounts payable and accrued liabilities include $14,326 (2025: $14,534) owing with respect to payroll withholdings, $723 (2025: $1,119) receivable with respect to Goods and Services Tax and $50 (2025: $60) owing with respect to Provincial Sales Tax.

## 7. Internally restricted funds

Internally restricted funds of $265,653 (2025: $1,147,601) are from the bequest of J. E. (Ted) Browne and Cora E. (Browne) Shaw.

The Board of Directors have passed resolutions to donate these funds to the Victoria Foundation (see notes 11 and 13).

## 8. Endowment Funds

The Endowment Fund is comprised of the following:

Eleanor Luxton Endowment - to be used to maintain the "Tilikum" exhibit.

"Dorothy" Endowment - to be used in support of maintaining and operating the sailing vessel "Dorothy".

| | Dorothy Funds | Tilikum Funds | 2026 | 2025 |
|---|---|---|---|---|
| Opening balance | $ 9,593 | $ 13,271 | $ 22,864 | $ 18,272 |
| Interest | - | 182 | 182 | 197 |
| Donations | 3,080 | - | 3,080 | 25,938 |
| | 12,673 | 13,453 | 26,126 | 44,407 |
| Collections and exhibits | (8,254) | - | (8,254) | (21,543) |
| Donations to Victoria Foundation | - | (13,441) | (13,441) | - |
| Transfer to General Fund | (4,419) | (12) | (4,431) | - |
| | $ - | $ - | $ - | $ 22,864 |

The Board of Directors have passed resolutions to de-recognize the Endowment Fund. The Dorothy fund was transferred to the General Operating Fund. The Tilikum fund was donated to the Victoria Foundation (see note 11) with a small portion transferred to the the General Operating Fund.

## 9. Commitments

The Society has operating leases for a temporary storefront and a photocopier. The temporary storefront is located at 744 Douglas Street and the current lease term ends on July 31, 2027. Minimum estimated payments are as follows:

| | Premises | Photocopier |
|---|---|---|
| 2027 | $ 61,225 | $ 594 |
| 2028 | 20,763 | - |
| | $ 81,988 | $ 594 |

## 10. Credit facilities

The Society has an overdraft agreement to a maximum of $50,000 of which $Nil (2025: $Nil) was drawn at year end, which bears interest at prime lending rate plus 1% per annum and is secured by a registered general security agreement and an assignment of accounts receivable and inventory.

## 11. Funds held with Victoria Foundation

Not included in the financial statements are two investment accounts held in endowment with the Victoria Foundation (the "Foundation") in perpetuity. The Foundation may make annual distributions to the Society based on income earned in accordance with the Foundation's general distribution policies as they may exist from time to time.

The Maritime Museum of British Columbia Fund is designated for general purposes and has the following fund activity and market values:

| | 2026 | 2025 |
|---|---|---|
| Market value, beginning balance | $ 561,820 | $ 477,166 |
| Contributions | 948,488 | 41,782 |
| Investment returns | 27,563 | 63,341 |
| Distributions to the Society | (20,241) | (17,676) |
| Management fees | (6,619) | (2,793) |
| | $ 1,511,011 | $ 561,820 |

The SV Dorothy Endowment Fund (the "Dorothy Fund") was established by the Society. The Society will direct distributions received toward ongoing costs of ownership of SV Dorothy. The account has the following fund activity and market values:

| | 2026 | 2025 |
|---|---|---|
| Market value, beginning balance | $ 10,614 | $ - |
| Contributions | 5,000 | 10,000 |
| Investment returns | 933 | 1,183 |
| Distributions to the Society | (597) | (518) |
| Management fees | (111) | (51) |
| | $ 15,839 | $ 10,614 |

## 12. Financial instruments

The Society is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Society's exposure to these risks.

(a) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and commitments.

(b) 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 Society's main credit risk relates to its accounts receivable. The Society has an insignificant number of customers with whom it grants credit which minimizes credit risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk with respect to its cash and other deposits at financial institutions.

## 13. Subsequent event

On August 21, 2026 the Society donated the remaining $265,653 held in the Internally Restricted Fund to the Victoria Foundation.

## 14. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.