

Royal Tyrrell Museum Cooperating Society

Financial Statements

March 31, 2011

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Independent Auditor's Report

To the Members of Royal Tyrrell Museum Cooperating Society

We have audited the accompanying financial statements of Royal Tyrrell Museum Cooperating Society, which comprise the statement of financial position as at March 31, 2011, and the statement of operations, statement of changes in net assets and statement of 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 generally accepted accounting principles, 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 Society'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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

Royal Tyrrell Museum Cooperating Society derives a material amount of revenue from memberships and donations. We were not able to obtain sufficient appropriate audit evidence about the completeness of the reported amounts for accounts receivable, membership and donation revenue, revenue in excess of expenditure and changes to net assets because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Canada
June 9, 2011



Chartered Accountants

Royal Tyrrell Museum Cooperating Society

Statement of Operations

For the year ended March 31,	2011	2010
Revenues		
Facility operations - Museum Gift Shop (schedule 1)	\$ 260,367	\$ 405,853
Program operations - Supplemental Services (schedule 2)	7,131	7,418
Memberships	15,129	24,528
Donations	19,470	10,468
Museum compensation	70,000	70,000
Grants, fees and interest	20,868	33,692
	<hr/>	<hr/>
	392,965	551,959
Expenditures		
Administrative		
Amortization	3,695	1,746
Board	2,479	3,630
Insurance	2,058	2,058
Office and administration	9,813	9,141
Professional fees	2,493	2,973
Wages and benefits	81,673	88,358
	<hr/>	<hr/>
	102,211	107,906
Designated funds		
Wages and benefits	187,817	143,848
	<hr/>	<hr/>
	290,028	251,754
	<hr/>	<hr/>
Excess of revenues over expenses	\$ 102,937	\$ 300,205

Royal Tyrrell Museum Cooperating Society

Statement of Changes in Net Assets

For the year ended March 31, 2011

	2011			
	Total	Designated Net Assets	Invested in Capital Assets	Unrestricted
Balance, beginning of year	\$ 3,311,015	\$ 3,118,090	\$ 12,224	\$ 180,701
Excess (deficiency) of revenues over expenses	102,937	103,862	(11,321)	10,396
Capital assets purchased	-	-	20,729	(20,729)
Balance, end of year	\$ 3,413,952	\$ 3,221,952	\$ 21,632	\$ 170,368

	2010			
	Total	Designated Net Assets	Invested in Capital Assets	Unrestricted
Balance, beginning of year	\$ 3,010,810	\$ 2,807,126	\$ 6,575	\$ 197,109
Excess of revenues over expenses	300,205	310,964	(5,987)	(4,772)
Capital assets purchased	-	-	11,636	(11,636)
Balance, end of year	\$ 3,311,015	\$ 3,118,090	\$ 12,224	\$ 180,701

Royal Tyrrell Museum Cooperating Society

Statement of Financial Position

March 31, 2011 2010

Assets

Current

Cash	\$ 554,142	\$ 1,076,904
Short term investments	2,267,539	1,781,770
Accounts receivable	2,012	11,387
Prepaid expenses	8,640	57,310
Inventory	584,916	429,282

3,417,249 3,356,653

Equipment (note 4)

21,632 12,224

\$ 3,438,881 **\$ 3,368,877**

Liability

Current

Accounts payable and accrued liabilities	\$ 24,929	\$ 57,862
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Net Assets

Designated Net Assets (note 5)	3,221,952	3,118,090
Invested in Capital Assets	21,632	12,224
Unrestricted	170,368	180,701

3,413,952 3,311,015

\$ 3,438,881 **\$ 3,368,877**

Approved by the Board:

 _____ Director
 _____ Director

Royal Tyrrell Museum Cooperating Society

Statement of Cash Flows

For the year ended March 31,	2011	2010
Cash provided by (used for)		
Operating activities		
Excess of revenues over expenses	\$ 102,937	\$ 300,205
Item not affecting cash		
Amortization	11,321	5,987
	114,258	306,192
Change in non-cash working capital items		
Short term investments	(485,769)	359,890
Accounts receivable	9,375	(4,268)
Prepaid expenses	48,670	(50,574)
Inventory	(155,634)	44,924
Accounts payable and accrued liabilities	(32,933)	7,511
	(502,033)	663,675
Investing activity		
Purchase of equipment	(20,729)	(11,636)
Increase (decrease) in cash	(522,762)	652,039
Cash, beginning of year	1,076,904	424,865
Cash, end of year	\$ 554,142	\$ 1,076,904
Supplemental cash flow information		
The Society had the following cash transactions:		
Interest received	\$ 20,565	\$ 60,541

Royal Tyrrell Museum Cooperating Society

Notes to Financial Statements

March 31, 2011

1. Nature of operations

Royal Tyrrell Museum Cooperating Society (the "Society") was incorporated on May 12, 1993 under the *Alberta Societies Act*.

The objectives of the Society include assisting in conducting and promoting scientific, educational and recreational activities consistent with the mandate of the Royal Tyrrell Museum (the "Museum") for the collection, research, display and interpretation of Alberta's palaeontological heritage.

The Society supplements the Museum interpretation and extension programs, and operates the Museum gift shop.

The Society is a registered charity under the *Income Tax Act* and the *Alberta Charitable Fundraising Act*; and, as such, is exempt from income taxes. The Society is able to issue receipts for donations, bequests and gifts that will be used to further its objectives.

2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Revenue from the gift shop is recognized at point of sale.

(b) Inventory

Inventories are valued at the lower of cost and net realizable value, on an average cost basis.

(c) Equipment

Equipment is recorded at original cost plus any costs of betterment less accumulated amortization and excludes any assets not in current use. Amortization is calculated by the straight-line method at the annual rates set out in note 4.

(d) Contributed services

The Society is supported by numerous volunteers. Contributed services are not recognized in the financial statements because of the difficulty in determining their fair value.

Royal Tyrrell Museum Cooperating Society

Notes to Financial Statements

March 31, 2011

2. Significant accounting policies (continued)

(e) Cash equivalents

Cash equivalents consist principally of money market funds and other highly liquid interest-bearing instruments with original maturities of three months or less.

(f) Financial instruments

The Society's financial instruments consist of cash, accounts receivable, short-term investments and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

(g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Accounting changes

In October 2010 the CICA Accounting Standards Board approved a new framework of accounting standards for not-for-profit organizations ("NFPOs"). The new framework, which is based on existing Canadian generally accepted accounting principles and will become Part III of the CICA Handbook, incorporates Section 4400 of Part V of the Handbook and is to be adopted by NFPOs in the private sector effective January 1, 2012. Alternatively, such NFPOs may adopt international financial reporting standards ("IFRS"), for fiscal years beginning on or after January 1, 2011. Early adoption of either framework is permitted.

The Society has elected to adopt the new framework of accounting standards for NFPOs rather than IFRS, but the effective date of implementation has not yet been determined.

Royal Tyrrell Museum Cooperating Society

Notes to Financial Statements

March 31, 2011

4. Equipment

			2011	2010	
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Equipment	20%	\$ 60,124	\$ 51,133	\$ 8,991	\$ 6,588
Furniture and fixtures	20%	102,788	102,230	558	782
Computer equipment - Society	30%	2,574	2,458	116	-
Computer equipment - Gift shop	30%	22,879	10,912	11,967	4,854
		\$ 188,365	\$ 166,733	\$ 21,632	\$ 12,224

5. Designated Net Assets

	Opening	Designations	Expenditures	Transfers	Closing
Heaton Research Fund	\$ 86,417	\$ 1,086	\$ 1,281	\$ -	\$ 86,222
Curatorial Research Funds	48,746	7,128	74,192	110,000	91,682
Museum Funds	2,982,927	283,466	112,345	(110,000)	3,044,048
	\$ 3,118,090	\$ 291,680	\$ 187,818	\$ -	\$ 3,221,952

6. Commitments

Pursuant to an agreement with the Province of Alberta, the Society has guaranteed the Province annual compensation equal to the first \$400,800 of income from operations of the Museum Gift Shop and will transfer any remaining income to designated funds. The agreement expired March 31, 2011 and was subsequently extended until June 30, 2011. The new agreement is being negotiated and the annual compensation paid to the Province is expected to increase to \$500,800.

7. Capital disclosures

The Society defines capital as net assets. The objectives of the Society with respect to net assets is to fund ongoing operations, the acquisition of capital assets and future projects.

The Society is not subject to externally imposed capital requirements and its overall strategy with respect to capital remains unchanged from the prior year.

Royal Tyrrell Museum Cooperating Society**Schedules to Financial Statements**

For the year ended March 31,

Schedule of Facility Operations - Museum Gift Shop**Schedule 1**

	2011	2010
Sales	\$ 2,127,903	\$ 2,319,740
Cost of sales	1,090,800	1,193,067
Gross margin	1,037,103	1,126,673
Expenses		
Wages and employee benefits	305,599	294,796
Merchant fees	18,884	23,567
Operating	51,042	42,338
General and administrative	13,350	14,792
Amortization	7,626	4,241
	396,501	379,734
Interest earned	(20,565)	(59,714)
	375,936	320,020
Income before allocation to Province of Alberta	661,167	806,653
Museum compensation (Note 6)	400,800	400,800
Net income	\$ 260,367	\$ 405,853

Schedule of Program Operations - Supplemental Services**Schedule 2**

	2011	2010
Revenue		
Supplemental services contract	\$ 105,595	\$ 103,127
Expenses		
Wages and benefits	98,464	95,709
Net income	\$ 7,131	\$ 7,418
