



# Kings Landing Corporation

Annual Report  
**2013-2014**

October 18, 2016

Honourable John Ames  
Minister of Tourism, Heritage and Culture  
Province of New Brunswick  
Fredericton, New Brunswick

Dear Minister Ames:

On behalf of the Board of Directors, it is my pleasure to submit to you the Annual Report of Kings Landing Corporation for the fiscal year ended March 31, 2014.

Sincerely,



Mark McCauley  
Chairperson of the Board of Directors

## Board of Directors

Mark McCauley (Chairperson)

D, Andrew Rouse (Vice -Chair)

Susan Baker

Dr. William George Bensen

M. Dawn Bremner

Dr. Gregory Kealey

Jan Rowinski

Elynor Sargeant

Ralph Thomas

Allison Walker

## Executive Director's Report 2013-2014

On behalf of the management and staff of Kings Landing Corporation, I am pleased to present our 2013-2014 Annual Report. This report summarises Kings Landing Corporation's financial and operational activity over the past year.

Over the course of the past year, Kings Landing Corporation focused on exploring new ways of offering a living history experience, refining lines of business and operating towards a surplus while delivering an experience that Kings Landing is internationally known for. The continuous improvement and accountability approach ensured a modest surplus at year end as well as trying new ways of interpretation. The experience delivered over the course of 4 months could only be possible by the many seasonal interpreters, artisans, educators and theatre professionals whose commitment to detail and historical preservation resonates with every guest who takes it in.

For the first time since it began, Kings Landing evolved the programming to include 4 distinct ways of experiencing Kings Landing; Hands-on homes – where guests can completely and freely roll up their sleeves and join in; Museum homes – where guests could see some of our rarest artifacts; Story homes – where guests were treated to live theatrical presentations that brought history to life in a dramatic way; and last but not least – Trade areas – where guests could see 19<sup>th</sup>-century trade skills up close.

Our museum continues to showcase exceptional exhibits including presenting the “Eastern Seaboard Cabinet Makers” at the Welcome Centre.

Best Regards,



Kevin Cormier  
Executive Director  
Kings Landing Corporation

# Table of Contents

- About Kings Landing Corporation 5
- Organizational Chart 6
- Highlights of the Year 7
  - Business Development 7
  - Visitor Experience 8
  - Operations 8
  - Heritage Resources 9
- Risks to the Corporation 11
- Financial Information 12

# About Kings Landing Corporation

Created over a period from 1967 to 1974, Kings Landing Corporation operates Kings Landing Historical Settlement, a world-class living history museum depicting and interpreting life in rural New Brunswick from the 18<sup>th</sup>-century to the 20<sup>th</sup>-century. In 40 years, over 3 million visitors have come to experience history come to life within a 300-acre site and a priceless collection of over 70,000 artefacts.

## Mission

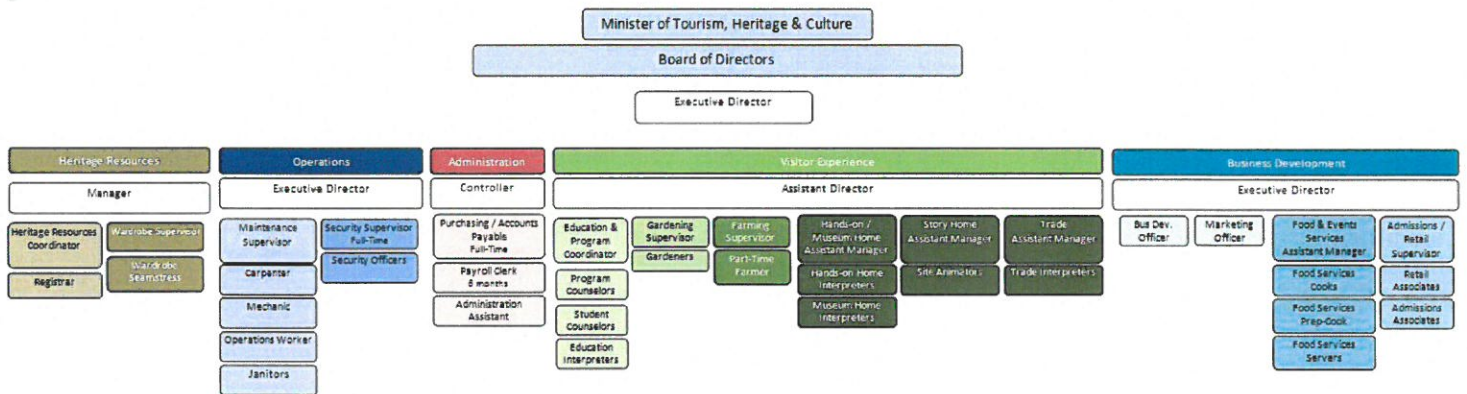
To create, maintain, and operate as a world-class attraction: an authentic living history museum that will attract, educate, enrich, and entertain tourists and New Brunswick residents by depicting life in rural New Brunswick during the 19<sup>th</sup>-century.

## Key Corporate Objectives

- Preserve and manage our physical collection defined as buildings (both historic and reconstructed), artifacts, plants, trees and animals.
- Authentically interpret the heritage (defined as work habits, craft techniques, life stories and historic events) within the context of our Mission.
- Provide an unforgettable positive experience for visitors, employees and volunteers that educates, and enriches.
- Be responsible stewards in order to ensure organisational sustainability by living within our financial means, our resource means, the appropriate acts, governmental policies and agreements within which Kings Landing resides.

# Organizational Chart

Kings Landing Corporation  
Organizational Structure 2013-2014



# Highlights of the Year

## Business Development

Business Development includes Admissions, Retail, Food Services, and Marketing. Over the course of the fiscal year, admissions were up 22% over the year prior with 25,757 guests visiting during the summer season. Revenue for all of the lines of business (Admissions, Food Services and Retail) was up 9% in the season over the previous year with combined \$618,624 in revenue.

### Retail

The Kings Landing gift shop experienced relatively flat growth during the season. A new strategy was developed in the off-season in order to prepare for the 2014 season that includes a re-branding, new location and new product categories in order to boost profitability.

### Admissions

There was a 22% increase in guests over the 2012 season. The membership program was discontinued and replaced with a season pass offering. The new season passes were priced to entice one-time visitors to consider coming back at a reduced rate. A family pass, for instance, was priced at \$66.11 vs. the day rate of \$36.73.

### Marketing

The marketing budget was reduced with the intent of leveraging relationships with the Provincial Tourism Department and the City of Fredericton Tourism to offset. Several key initiatives aided in the noticeable increase in guests, including leveraging the film “Copperhead” release, a joint Initiative with other Museums and the Department of Tourism in a campaign where for the price of one visit, you could visit other museums for free, media opportunities to present new experience and programs, investment in a social media platform. Lastly, the visual branding of Kings Landing was updated and standardized.

## Business Development

The strategy for Business Development was to assist the Trade teams within the Department of Tourism and City of Fredericton in selling Kings Landing, rather than engage directly with tour operators. As such, this allowed Kings Landing to still be considered as a trade product, without the costs associated with resourcing the development of tour contracts.

### Food Services

With a much smaller footprint, Food Services focused on providing a unique culinary experience while seeking to reduce costs where possible for greater profitability. An example of this was no longer doing a Halloween dinner program which was resource heavy and not profitable, and



focusing on revamping the Christmas Dinners program. The later included capping the number of tickets sold, at a higher price, with less expense in the delivery of the event. This resulted in greater profitability and a better and smoother experience for guests.

## **Visitor Experience Department**

### **Site Interpretation**

This year marked a very progressive step forward in redefining the visitor experience for guests. For the first time, 4 different themes were applied to the various homes and areas within the village to provide guests with 4 distinct ways to experience history. Some homes focused on the artefacts and the stories they tell in the Museum Homes. Some areas focused on a theatrical approach to interpretation and offered vignettes for guests to get a scripted story of history. The third type of experience provided guests with the opportunity to roll up their sleeves and truly take part – in our Hands-on Homes. Lastly, guests were treated to a more in-depth trade experience, where tradespeople could focus more on producing material and “apprentices” would explain what was happening.

### **Education**

Educational school programs were offered in the Spring, Fall, and Winter. These programs are hands-on learning opportunities for all ages in the public school system. Programs are designed specifically for a particular grade to coincide with curricular outcomes as outlined by the Department of Education. Most of these programs offer children insight into the daily life of a child their age 150 years ago, highlighting family, self-sufficiency and community.

The Visiting Cousins & Family Kin immersion programs were operated during the summer school break. These programs offer an opportunity for children ages 9 to 15 to stay overnight and dress in period costume in order to live as a child their age would have in the 19th century for 5 days. Activities include doing chores on the farm, attending the one-room schoolhouse, learning to cook, doing laundry, making a nail and helping with gardens. 207 children participated in the program this year.

## **Operations Department**

Due to organisational realignment, the Operations Department was streamlined to include Maintenance (as well as janitorial) and Security. The Executive Director oversaw this department as no manager currently exists for this group.

### **Maintenance and Janitorial**

Maintenance primarily focused on maintaining current infrastructure as well as upgrading certain key buildings for future use. With funding from the “Access to Heritage” program

through Canadian Heritage, the gift shop area within the Visitor Reception Centre was repurposed into a modern exhibit gallery.

Over the course of the year several capital projects were undertaken by our Maintenance team that included:

- General repairs to historic homes
- Replaced shingled roofs on some historic homes
- Masonry work on historic homes
- Foundation work on two historic homes
- Electrical repairs and replacements of furnaces and electrical panels
- Other minor repairs
- New exhibit space in the Visitor Reception Centre
- Upgrades to the Slipp house (Summer Camp building)
- Barony Store renovation

## Security

The Security department provides front line customer service and facilitates emergency, security and public safety procedures. Due to budget restraints, security coverage was scaled back to evenings and weekends only. This was a significant reduction in coverage which meant there were no security services available during normal hours of operation.

## Heritage Resources Department

Heritage Resources provides oversight of the Kings Landing collection of artefacts, acts as the primary historical authority within the corporation, as well as conducts research in a variety of capacities. In addition, it develops exhibits and provides assistance and expertise to other institutions on several subject matters of material history.

## Wardrobe

The Wardrobe department is responsible for providing costume fitting and sign-out, alterations, repairs and maintenance of costumes, development of patterns, and the creation of new costumes. This department also assisted with teaching techniques and providing materials for period garments and crafts.

## Acquisition Highlight:

While there is a moratorium on collecting new pieces, pending a revised collections management policy, there were a couple of exceptions. One collection we received this year that stood out was the following:

### **M2013.12** David Dibblee (acquired September 2013)

- David Dibblee is the descendent of Loyalist the Rev. Frederick Dibblee who owned a farm just below Woodstock. The house was replaced in 1918 with a new home which David inherited.
- This collection numbers over 400 items plus a large number of archival pieces
- It is a varied collection including artwork, tools, household goods and farm machinery
- This collection formed the basis for a study project for Professor Brad Cross (STU) Material History class, 2013-2014

# Risks to the Corporation

## Funding

Kings Landing Corporation has struggled to provide the expected level of programming and experience as a result of a structural deficit that has developed and grown over the past decade and a half. This has largely been due to rapidly rising and variable labour costs and funding not keeping pace with standard rates of inflation. This has meant having to do the same or more programming with less and less funding or revenue to do it with. In order to keep funding and expenditures in check, taking corrective actions with staffing levels was required, often times during the season, depending on visitation performance. While the Corporation's Board of Directors and Management have continuously endeavoured to manage within its means, the gap continues to widen between costs and funding and a solution is required to ensure a future.

## Capital Investment

It has been roughly 40 years since the majority of the property and infrastructure at Kings Landing was developed. The intended lifespan of most of the underground infrastructure (sewage, water, electrical and telecommunications), and many of the buildings is coming to an end, and a significant number of repairs and upgrades are required. Of note would be the dam and mills complex that have been in disrepair since 2010 and are no longer available to the public. The Corporation is at risk of rising maintenance costs and further reduction of services unless a substantial capital investment is provided.



---

FINANCIAL STATEMENTS

**KINGS LANDING CORPORATION**

3/31/2014

---

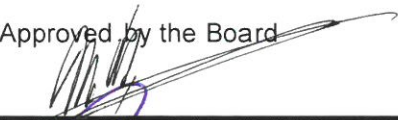
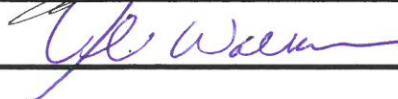
Kings Landing Corporation  
Statement of Financial Position  
As at 31 March 2014

<b>FINANCIAL ASSETS</b>	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	392,566	495,850
Accounts receivable	20,174	20,302
	412,740	516,152
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 3)	184,382	208,894
Working capital advance payable (Note 4)	200,000	200,000
Deferred revenue (Note 2)	23,855	3,092
	408,237	411,986
<b>NET FINANCIAL ASSETS</b>	4,503	104,166
Prepaid expenses	265	14,263
Inventories (Note 5)	115,534	121,847
Kings Landing Collection (Note 2)	1	1
Tangible capital assets (Note 7)	3,341,032	3,541,525
	3,456,832	3,677,636
<b>ACCUMULATED SURPLUS</b>	3,461,335	3,781,802

Contingent liabilities – Note 11

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

Approved by the Board

Chairperson *Mark McCauley*  
 Director *Allison Walker*

Kings Landing Corporation  
Statement of Operations and Change in Accumulated Surplus  
For the year ended 31 March 2014

	<b>Budget 2014</b>	<b>Actual 2014</b>	<b>Actual 2013</b>
	(Note 10)		
<b>REVENUE</b>			
Admissions	265,000	283,708	258,576
Gift Store	188,500	171,551	169,175
Food Services	409,000	369,635	593,755
Interpretation & education	100,300	101,964	143,145
Other Operating Revenue (Note 13)	6,810	43,302	237,621
	<u>969,610</u>	<u>970,160</u>	<u>1,402,272</u>
<b>GRANTS</b>			
Provincial – Operating	2,297,000	2,295,908	2,510,176
Provincial – Other (Note 9)	50,000	50,000	50,000
Federal	0	27,279	0
Marketing	0	14,239	0
Employment Programs	10,000	23,359	25,967
	<u>2,357,000</u>	<u>2,410,785</u>	<u>2,586,143</u>
	<u>3,326,610</u>	<u>3,380,945</u>	<u>3,988,415</u>
<b>EXPENSES</b>			
Interpretation & education	1,262,207	1,217,771	1,112,762
Gift store	90,712	84,655	118,437
Maintenance	727,101	755,235	747,450
Security	208,530	203,605	188,669
Curatorial	241,425	228,725	199,994
Visitor services	143,422	139,605	158,064
Public relations	138,433	143,667	162,620
Administration	388,935	386,453	491,690
Food services	394,000	340,515	380,656
Amortization of tangible capital assets	0	201,181	217,196
	<u>3,594,765</u>	<u>3,701,412</u>	<u>3,777,538</u>
<b>ANNUAL (DEFICIT) SURPLUS</b>	<u>(268,155)</u>	<u>(320,467)</u>	<u>210,877</u>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		<u>3,781,802</u>	<u>3,570,925</u>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		<u>3,461,335</u>	<u>3,781,802</u>

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



Kings Landing Corporation  
Statement of Changes in Net Financial Assets  
For the year ended 31 March 2014

	<b>2014</b>	<b>2013</b>
<b>Net Financial Assets (Debt) at beginning of year</b>	104,166	(337,778)
Annual (deficit) surplus	(320,467)	210,877
Acquisition of tangible capital assets	(3,200)	(3,120)
Proceeds on disposal of tangible capital assets	500	400
Amortization of tangible capital assets	201,181	217,196
Loss (Gain) on disposal of tangible capital assets	2,012	(400)
Net change in prepaid expenses	13,998	1,232
Net change in inventory	6,313	15,759
<b>(Decrease) Increase in Net Financial Assets</b>	(99,663)	441,944
<b>Net Financial Assets at End of Year</b>	4,503	104,166

The accompanying notes are an integral part of these financial statements

Kings Landing Corporation  
Statement of Cash Flows  
For the year ended 31 March 2014

<b>CASH PROVIDED BY (USED FOR):</b>	<b>2014</b>	<b>2013</b>
Operating Activities		
Annual (deficit) surplus	(320,467)	210,877
Add items not involving cash:		
Amortization of tangible capital assets	201,181	217,196
Loss (Gain) on disposal of tangible capital assets	2,012	(400)
Increase (decrease) of non-cash components of working capital (Note 14)	16,690	(44,270)
	<u>(100,584)</u>	<u>383,403</u>
Capital Activities:		
Acquisitions of tangible capital assets	(3,200)	(3,120)
Proceeds from disposal of tangible capital assets	500	400
	<u>(2,700)</u>	<u>(2,720)</u>
<b>(DECREASE) INCREASE IN CASH</b>	<u>(103,284)</u>	<u>380,683</u>
Cash and cash equivalents, beginning of year	495,850	115,167
<b>Cash and cash equivalents, end of year</b>	<u>392,566</u>	<u>495,850</u>

**Cash and cash equivalents are represented by**

	<b>2014</b>	<b>2013</b>
Cheques in excess of funds on deposit/Cash	(20,254)	61,885
Short term Investments	412,820	433,965
	<u><b>392,566</b></u>	<u><b>495,850</b></u>

The accompanying notes are an integral part of these financial statements

**1. Nature of operations**

Kings Landing Corporation (the Corporation) is a provincial Crown agency incorporated by an Act of the New Brunswick Legislature. The Corporation serves the people of New Brunswick and visitors of the province by operating a living historical village as a dynamic, progressive outdoor museum.

**2. Summary of significant accounting policies**

**General**

These financial statements are prepared by Management using the Corporation's accounting policies stated below, which are in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board.

**Revenue recognition**

Government transfers are transfers of money, such as grants, for which the Corporation does not provide any goods or services directly in return.

Government transfers are recognized in the Corporation's statements as revenue in the period the events underlying the transfer occurred, as long as the transfer is authorized and eligibility criteria have been met. Government transfers consist of operating and capital grants from the Province of New Brunswick and capital grants from the federal government.

Revenue from general operations is recognized when products and services are delivered to the customer and collection is reasonably assured.

**Deferred Revenue**

Amounts received for registration fees are deferred and recognized in revenue over the period to which they relate.

**Asset classification**

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not to be consumed in the normal course of operations. Non-financial assets are acquired, constructed or developed assets that do not provide resources to discharge existing liabilities but are employed to deliver services, may be consumed in normal operations and are not for resale. Non-financial assets include prepaid expenses, inventory, tangible capital assets and the Kings Landing Collection.

**Kings Landing Collection**

The Kings Landing Collection is composed of some 70 major historical structures and thousands of individual artifacts from the period between 1780 and 1900. The structures and artifacts are not replaceable as each piece represents a unique aspect of New Brunswick history. In recognition of this, the collection is valued at \$1 and individual pieces purchased by the Corporation are expensed in the year of acquisition. Similarly, costs of maintaining the collection are charged to maintenance expense as incurred. During the year, artifacts with an estimated fair value of \$23,012 (2013 - \$60,925) were received from donors and added to the collection.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, bank balances, or cheques in excess of funds on deposit, and a GIC with a maturity of less than one year as at March 31, 2014. The Corporation has overdraft protection at a financial institution where interest is calculated at prime rate plus 1.5% per year.

**Contributed services**

Volunteers contribute a significant number of hours to assist the Corporation in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**Pension contributions**

Certain employees of the Corporation are entitled to receive pension benefits under the New Brunswick Public Service Superannuation Plan. Effective January 1, 2014 the Province converted this plan to the Public Service Shared Risk Plan. This converted plan requires all employer classified full-time employees to participate in this new plan. The plan continues to be a defined benefit multi-employer plan under which contributions are made by both the employee and employer. The Corporation is not responsible for any unfunded liability nor does it have access to any surplus with respect to its employee pensions. The Corporation's costs and liability related to employee pensions are not included as part of its budget but are recorded by the Province in its financial statements.

**Retirement allowances**

Certain long serving employees receive a retirement allowance upon retirement from public service. The plan is funded by the Province of New Brunswick. The Province made changes to its retirement allowance program during the year where management and non-union employees of the Corporation will no longer accumulate retirement allowance credits. Employees who were participating in this program were offered a choice of pay-out in lieu of a retirement allowance or, for those with more than five years of service, an option to defer the pay-out until retirement. The Corporation's costs and liability associated with the plan and its recent changes are not included as part of its budget but are recorded by the Province in its financial statements.

**Liability for Injured workers**

The Corporation is responsible for benefit payments to WorkSafeNB for injured employees. Amounts billed by WorkSafeNB and management's estimate of the value of unbilled payments have been accrued.

**Measurement Uncertainty**

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The most significant areas requiring the use of management estimates related to the determination of employee benefit liabilities, amortization rates of tangible capital assets and the amount of inventory subject to obsolescence. Actual results could differ from Management's best estimates, as additional information becomes available in the future.

**Tangible capital assets**

Acquired or contributed tangible capital assets, except those of a historical nature, are recorded at cost or appraised value where cost is not determinable. Amortization is calculated using declining balance rates of 5% to 20% or straight line over 20 to 30 years, which represent the estimated useful life of the assets. The Corporation has 91.5 acres of land on both sides of the St. John River. Approximately 40 acres are used for site purposes. Because its purpose is to serve as a site for the collection, the land has been recorded at a value of \$1.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business. Inventories consist of fabrics, food and merchandise held for resale. Management estimates the inventory obsolescence results from the decline in saleable value.

**Kings Landing Corporation**  
**Notes to the Financial Statements**  
**31 March 2014**

**Financial instruments**

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and working capital advance payable.

Financial instruments are recognized when the Corporation becomes a party to the contractual rights and obligations of the financial instrument.

Financial instruments are derecognized when the contractual rights to the cash flows from the financial asset have expired or have been transferred, and the Corporation has transferred substantially all risks and rewards of ownership, or are derecognized when the contractual obligation has been discharged, cancelled, or has expired.

The Corporation designates its financial instruments as follows:

- a) Cash and cash equivalents are measured at fair value. Fair value is assumed to represent the carrying value, which is at historical cost.
- b) Accounts receivable, accounts payable and accrued liabilities and working capital advance payable are measured at amortized cost.

**3. Accounts payable and accrued liabilities**

	<b>2014</b>	<b>2013</b>
Employee benefits accrued liabilities	119,539	133,644
Other accounts payable and accrued liabilities	64,843	75,250
	<b><u>184,382</u></b>	<b><u>208,894</u></b>

**4. Working capital advance payable**

The demand loan owing to the Province of New Brunswick is unsecured and non-interest bearing with no specific terms of repayment.

**5. Inventories**

	<b>2014</b>	<b>2013</b>
Gift store	71,140	74,862
Fabrics	8,788	8,362
Food and liquor	31,810	43,385
Other	5,438	3,914
Subtotal	117,176	130,523
Less: Provision for obsolescence	(1,642)	(8,676)
	<b><u>115,534</u></b>	<b><u>121,847</u></b>

**6. Expenses by object**

	<b>2014</b>	<b>2013</b>
Amortization	201,181	217,196
Salaries, wages and benefits	2,647,856	2,620,084
Cost of goods sold	178,703	207,247
Other Expenses	673,672	733,011
	<b><u>3,701,412</u></b>	<b><u>3,777,538</u></b>

**Kings Landing Corporation**  
**Notes to the Financial Statements**  
**31 March 2014**

**7. Tangible capital assets**

	Land	Buildings	Site Services	Mobile Equipment	Computer Hardware	Office Furniture	2014 Total	2013 Total
<b>Cost</b>								
Opening Cost	1	4,970,746	211,567	382,634	119,170	31,659	5,715,777	5,713,057
Additions Net of Disposal	-	-	-	(3,259)	(20,994)	-	(24,253)	2,720
<b>Closing Cost</b>	<b>1</b>	<b>4,970,746</b>	<b>211,567</b>	<b>379,375</b>	<b>98,176</b>	<b>31,659</b>	<b>5,691,524</b>	<b>5,715,777</b>
<b>Accumulated Amortization</b>								
Opening Accumulated Amortization	-	1,798,214	30,578	239,670	84,505	21,285	2,174,252	1,957,056
Disposal	-	-	-	3,947	20,994	-	24,941	-
Amortization Expense	-	163,676	7,361	25,477	2,592	2,075	201,181	217,196
<b>Closing Accumulated Amortization</b>	<b>-</b>	<b>1,961,890</b>	<b>37,939</b>	<b>261,200</b>	<b>66,103</b>	<b>23,360</b>	<b>2,350,492</b>	<b>2,174,252</b>
<b>Net Book Value</b>	<b>1</b>	<b>3,008,856</b>	<b>173,628</b>	<b>118,175</b>	<b>32,073</b>	<b>8,299</b>	<b>3,341,032</b>	<b>3,541,525</b>

**8. Risk management**

The carrying value of the Corporation's financial instruments are assumed to approximate their fair amounts because of their short term to maturity.

An analysis of significant risk from the Corporation's financial instruments is provided below:

- a) Credit risk – Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. Accounts receivable balances are due from the federal government and related parties of the Province and are considered low risk due to excellent collection history. Accounts receivable balances from external organizations are deemed insignificant to the Corporation's financial statements. The Corporation's maximum exposure to credit risk at March 31, 2014 is equal to the accounts receivable balance of \$20,174. Credit risk is not disbursed as the Federal government and related entities of the Province comprise a significant portion of the accounts receivable balance.
- b) Liquidity risk – Liquidity risk is the risk of not being able to settle or meet an obligation on time or a reasonable price. The Corporation manages liquidity risk by maintaining sufficient cash and cash equivalent balances to meet operating and capital requirements.
- c) Interest rate risk - Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Corporation's management considers exposure to interest rate risk to be insignificant.
- d) Currency risk – Currency risk arises on financial instruments denominated in a foreign currency. The Corporation is exposed to currency risk on purchases that are denominated in a currency other than the Corporation's functional currency, primarily in US Dollars (USD). The Corporation's foreign currency transactions are normally settled in the short term, therefore management considers exposure to currency risk to be insignificant.

**9. Provincial grant – other**

The Province of New Brunswick provided the Corporation with a \$50,000 capital grant in fiscal 2013-2014 (fiscal 2012-2013 - \$50,000). This grant was used for expenditures related to the maintenance and repairs on the Collection (Note 2).

**Kings Landing Corporation**  
**Notes to the Financial Statements**  
**31 March 2014**

**10. Budget**

The budget figures included in these financial statements have been derived from the estimates approved by the Board of Directors of the Corporation.

**11. Contingent liabilities**

The Corporation may be subject to litigation in the course of its operations. In management's judgment, no material exposure exists at this time and accordingly, management has not recorded a provision for loss in the financial statements.

**12. Economic dependence**

The Corporation is economically dependent on the Province of New Brunswick as it receives a significant portion of its funding from various government departments. The Province also provides certain other services from time to time such as staff resources, the cost of which has not been determined and is not included in these statements.

**13. Other Operating Revenue**

	<b>2014</b>	<b>2013</b>
Donations	5,616	880
Site use – Copperhead Movie	-	203,930
Other	37,686	32,811
	<b>43,302</b>	<b>237,621</b>

**14. Non-cash components of working capital**

	<b>2014</b>	<b>2013</b>
Decrease (increase) in accounts receivable	128	(3,204)
Decrease (increase) in prepaid expenses	13,998	1,232
Decrease (increase) in inventories	6,313	15,759
(Decrease) increase in accounts payable and accrued liabilities	(24,512)	(20,198)
(Decrease) increase in deferred revenue	20,763	(37,859)
	<b>16,690</b>	<b>(44,270)</b>

**15. Subsequent events**

Damage and power outages caused by post tropical storm Arthur caused the Corporation to be closed for a period of eight days in July 2014. As a result of this closure, management estimates lost revenues and clean up expenses total approximately \$100,000.

Flooding in December of 2010 resulted in extensive damage to a dam, sawmill and bridge on site. The dam has continued to deteriorate and after an assessment was conducted by the Department of Transportation and Infrastructure, it was determined that the area was no longer safe for interpretation. The estimated costs of repairs for the sawmill and dam are \$2.5 million and the replacement of the bridge is \$1.3 million, totalling \$3.8 million. In August 2014, the Corporation was notified it will receive the necessary \$3.8 million in funding from the Emergency Measures Organization.