

KINGS LANDING



2018-2019 ANNUAL REPORT

Kings Landing Corporation

Annual Report
2018-2019

Published by:
Government of New Brunswick

Kings Landing Corporation
5804 Route 102
Prince William, NB E6K 0A5

Printed in New Brunswick

ISBN 978-1-4605-2535-7



Since its opening in 1974, Kings Landing has been a world-class living history museum that hosts approximately 35,000 visitors each year. With 70 historic buildings, a collection of over 70,000 artefacts and a village brought to life by costumed characters, Kings Landing's mission is to attract, educate, enrich and entertain tourists and New Brunswick residents by depicting life in rural New Brunswick during the 19th century.

Table of Contents

Transmittal Letters	4
Message from the Board Chair	5
Message from the Chief Executive Officer	6
Highlights from 2018 - 19	7
Attract	8
Educate	10
Enrich	11
Entertain	13
Governance & Organizational Structure	15
Thank you	17
Appendix I: Management Responsibilities Letter	19
Appendix II: Independent Auditor's Report	20
Appendix III: Summary of Recommendations from the Office of the Auditor General	22
Appendix IV: 2018-2019 Financial Statements	23

TRANSMITTAL LETTERS

From the Minister to the Lieutenant Governor

The Honourable Brenda Murphy
Lieutenant Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the annual report of the Kings Landing Corporation, Province of New Brunswick, for the fiscal year April 1, 2018 to March 31, 2019.

Respectfully submitted,

Honourable Bruce Fitch
Minister of Tourism, Heritage and Culture



From the Chair of the Board of Directors to the Minister

The Honourable Bruce Fitch
Minister of Tourism, Heritage and Culture

Dear Minister Fitch:

I am pleased to present the annual report describing operations of the Kings Landing Corporation for the fiscal year April 1, 2018 to March 31, 2019.

Respectfully submitted,



Al Walker
Chair, Board of Directors
Kings Landing Corporation

A MESSAGE FROM THE BOARD CHAIR

On behalf of the Board of Directors of Kings Landing Corporation, it is my pleasure to present the Annual Report for the 2018-2019 season. This year was another successful year for Kings Landing, with growth in visitation and additional exhibits and programming.

I want to thank management, staff and the many volunteers who continue to provide an exceptional historical experience for our guests.

I want to also extend my gratitude to all the board members for their time and efforts over the past year. From sitting on numerous committees to providing guidance and attending meetings with Kings Landing Corporation, your efforts continue to make Kings Landing better.

Finally, I would also like to thank the Kings Landing Foundation for your contributions. They are essential to our achieving our mandate as a Living History Museum.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Al Walker', with a large, stylized initial 'A'.

Al Walker

Chair, Board of Directors
Kings Landing Corporation

A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In the 2018-2019 fiscal year, Kings Landing undertook steps to create a Corporate Strategy to guide growth, through attraction of new and old audiences, create innovative programming, and encourage partnership with all heritage, tourism and business partners. Kings Landing is fortunate to have a community that continues to encourage staff and the Board to stay the course; on behalf of our community, the Board and the dedicated, passionate and creative people who work at Kings Landing Corporation, we are proud to present the 2018-2019 Annual Report.

Sincerely,

A handwritten signature in green ink, reading "Mary E. Baruth", with a long, sweeping horizontal line extending to the right.

Mary E. Baruth

CEO (2020)
Kings Landing Corporation

HIGHLIGHTS FROM 2018-2019

In this 44th tourist season, June 9 to October 8, 2018, Kings Landing continued to offer two ways to learn about 19th century life in New Brunswick: The Exhibit Experience and The Village. The Exhibit Experience, on the west side of the site, provided space for guests to view rarely-seen artefacts, to chat with guest interpreters and to learn about the history experienced first-hand in the Village. In the Village, on the east side of the site, guests stepped back in time to “Kings Landing,” a village wherein costumed characters brought history to life as they portrayed real characters from New Brunswick’s past in a beautiful, historic setting.

As part of the Exhibit Experience, Kings Landing partnered with the University of New Brunswick Mi’kmaq-Wolastoqey Centre to tell the history of the Wolastoqiyik, the original inhabitants of what is now known as the Saint John River Valley. The Mi’kmaq-Wolastoqey Centre also held a well-attended sweat lodge ceremony at Kings Landing in the fall.

Another new and exciting partnership kicked off this year with the New Brunswick College of Craft & Design (NBCCD). This partnership involved summer residency programs and public workshops hosted by NBCCD at Kings Landing, in the Hoyt House.

Two new additions joined Food Services: The Axe & Plough Café and Feast in the Village. The Axe & Plough Café offered a selection of light meal and to-go options in the Welcome Centre, including a heritage coffee made specifically for Kings Landing by the Fredericton-based business, Whitney Coffee Company. During the Feast in the Village, guests shared platters of food at the open air, long table dinner and were entertained with traditional, live music and dance until the sun set over the King’s Head Inn.



ATTRACT

Motorcoach travel, food services, school groups, and summer camp programs all experienced growth in 2018-19. This resulted in an overall increase of revenue. The growth in motorcoach and group tours shows promise for bringing more business to Kings Landing in the future.

Kings Landing Corporation is developing a strategy that focuses on staycations in order to see growth in future years and developing new programmes to attract new audiences to counter dips in visitation.

The *Pass to the Past* promotion in partnership with New Brunswick Public Library Services allowed anyone with a library card to check out a pass for a free visit to Kings Landing from September 1 to 28. An outstanding 2,135 visitors participated!

Visiting Cousins and Family Kin



A promotional image used during the Pass to the Past partnership with the New Brunswick Public Library Services.



A brown bread cinnamon roll and Kings Landing's custom coffee blend available at the Axe & Plough Café.



Various items made by the blacksmith available for sale at the Peddler's Market during the 2018 season.



"Evening Lays Lightly" - winning painting by Poppy Balser.

Paint the Past

Paint the Past was an annual 3-day plein air festival that attracted world-class painters to visit Kings Landing to paint moments rich in history. At the end of the festival, artworks were displayed for sale in MacBeath Hall.

The 2018 festival was the second time Kings Landing organized the event, which was previously hosted by the Kings Landing Foundation. A total of 14 artists attended the festival creating over 60 paintings. Poppy Balser of Nova Scotia won first place and the title of 2018 Artist-in-Residence. Second place went to Geoff Bladon from Maine, and third place to Simone Ritter from Saint Andrews, New Brunswick.



Angela Hallett Joynes, winner of the 2018 Kings Landing Prize for Historical Short Fiction.

Kings Landing Prize for Historical Short Fiction

The Kings Landing Prize for Historical Short Fiction was created in honour of the many exceptional collections of Canadian short stories published each year. This distinctive award recognizes the importance of this genre, celebrates our storytellers, and encourages the creation of even more literary works. It also acknowledges that museums are where we keep our stories. In 2018, the first place prize of \$1,000 (donated through the Kings Landing Foundation) went to Angela Hallett Joynes (pictured left) for her story "Contagion."



Guests enjoy a wagon ride from the Welcome Centre to the King's Head Inn while attending Sugar Bush in March 2019.

Sugar Bush

Since 1984, Kings Landing has opened its doors each March to celebrate the longstanding New Brunswick tradition of making maple syrup. Partnerships with Picaroons and Scouts Canada enriched this year's event. The Corporation served a breakfast and is seeking to partner with a local fundraising group for future years.

A total of 5,440 visitors attended Sugar Bush celebrations in 2019.

EDUCATE

Visiting Cousins & Family Kin

Education is a Kings Landing priority. Each summer, children aged 9 to 15 from all over North America, and beyond, join the stories of the characters represented in the Village. They stay overnight from Monday to Friday and dress in period costume while helping with chores, farmwork, and handiwork; apprenticing at trade shops; and, attending the one-room schoolhouse. There's also plenty of time for leisurely fun in the absence of modern conveniences and technology. This 2018 summer program welcomed 186 children.

School Tours

Teachers bring their students to Kings Landing for guided or self-guided tours and hands-on activities to learn about the daily workings of 19th century farm life; in particular, the roles that children played. Kings Landing welcomed 1,836 students during the 2018 season meeting a key priority to attract more school tours to Kings Landing.



Summer campers attend the one-room schoolhouse daily where they read books, learn various lessons and practice cursive writing.



Campers in the trades concentration help out at the farms and in the gardens, including this one behind the Ingraham House.

ENRICH

The Exhibit Experience

The 2018 Exhibit Experience at Kings Landing included galleries, educational exhibits, workshops, demonstrations, guest interpreters, a recently constructed Pit House, and the Summer Stage. Located on the west side of the site, it allowed guests to view rarely seen artefacts, gain context of the history they see interpreted in the Village, and learn more about the various groups that helped establish New Brunswick.

In 2018, the exhibit team introduced 48 new exhibits with support from more than 30 cultural societies, heritage associations, museums, and other dedicated partners from New Brunswick and across Canada. Collaborations with, but not exclusive to, the Quartermain Earth Science Centre, Middlemore Atlantic Society (British Home Children), CFB Gagetown and the New Brunswick Black History Society provided guest interpreters to enhance the exhibit experience. The 3rd person interpreters at Kings Landing held demonstrations of knitting, gardening, sewing, tea etiquette, rock painting, and making penny mats. They

Mi'kmaq-Wolastoqey Centre Partnership

A partnership between Kings Landing and the University of New Brunswick Mi'kmaq-Wolastoqey Centre was an enriching experience for Kings Landing. This partnership includes an exhibit curated by David and Imelda Perley of the Mi'kmaq-Wolastoqey Centre. The exhibit tells the story of the Wolastoqiyik, who are the original inhabitants of Saint John River Valley. Information panels and artefacts such as baskets, fishing gear, clothing, stones and shells were displayed in the Hagerman Gallery.

This partnership also involved the construction of a sweat lodge in the field behind the Joslin Farm. Members of the public were invited to attend a sacred fire and sweat lodge ceremony led by Imelda Perley in late September. It was well attended and valued by all participants.

The Corporation looks forward to expanding this partnership with the Mi'kmaq-Wolastoqey Centre in future years.



A birch bark canoe on display in the Wolastokuk exhibit in the Hagerman



Visitors from the public attending the sacred fire and sweat lodge ceremony on September 30, 2018.



Some items used during the ceremony, including bear fat, sage and tobacco.

also offered the chance to dress in 19th century costumes for a great photo opportunity at the Joslin Gallery.

New Brunswick College of Craft & Design Partnership

Kings Landing and the New Brunswick College of Craft and Design (NBCCD) launched The NBCCD Hoyt Residency & Workshop program. This residency provided artisans, at all stages of their careers, the chance to set up in Hoyt House, located beside the Welcome Centre, as artists-in-residence. Participants were granted access to the site, the Kings Landing Collection and the Wardrobe Department for inspiration. Full and half-day programmes were offered at Kings Landing for the public to learn new skills and create beautiful handmade items. The 2018 workshops series included spoon carving, natural dyeing, photography, basket weaving, wild edible plant identification, and quilting.

In order to provide a suitable space for this program, Hoyt House underwent renovations. This included a new steel roof, exterior painting, two kitchen additions, laundry room hookup, hot

The Learning Centre

Kings Landing continued to offer free, drop-in workshops at the Learning Centre, located in the sunroom adjacent to the Peddler's Market. Facilitators demonstrated over 40 different crafts throughout the season, many of which are interpreted in the Village. These daily workshops included sewing, knitting, weaving, quilting, rug and straw braiding, doll making, needlepoint, and crochet.

The Harvest Market

During the last two weekends of the season, Kings Landing hosted a market in the pavilion on the west side. This provided visitors the opportunity to purchase local goods such as produce, honey, maple syrup, preserves, handmade jewellery, decor, handiwork, and baked goods.



An NBCCD student dyes clothing naturally using red cabbage during a demonstration at the Pavilion.



NBCCD uses Hoyt House, located beside the The Welcome Centre, for their summer residency program.



Vendors set up in the Pavilion and nearby area, including The Ville Cooperative's produce truck.

ENTERTAIN

The Village

water heater, bathroom renovations and drywall replacement.

History is brought to life in the Village through a community of historic buildings, friendly farm animals and colourful characters interpreting real stories from New Brunswick's past. Each day, the programming is unique, ensuring that guests experience a wide array of history and always have a different and memorable experience each visit.

Visitors can watch iron transform into tools over the flames in the blacksmith shop, learn about 19th century printing, witness the carpenter at work, see and smell the open hearth baking, observe flax and wool processing and even try to barter at the Grant Store. During special events, interpreters re-enact

vignettes of a coronation celebration, a Loyalist wedding, an Irish wake, an agricultural fair and a bonnet hop, to name a few.

There are plenty of gardens throughout the Village, including 30 species of heritage apple trees, as well as beloved farm animals including oxen, horse, sheep, goats, chickens, geese, and pigs.

Depending on the day, there are between 44 and 77 costumed interpreters throughout the Village ready to tell an interesting story, share their family history or teach their guests something new. A new character, Abraham Munn, was introduced in the Village. This traveling musician is best known for his contributions to New Brunswick folk music (The Dungarvon Whooper) and was received



Clockwise from top left: A carriage brings the teacher around the Village; two Visiting Cousins pose in front of the Perley House; visitors try bartering at the Grant Store; children play games during Welcome the New Teacher weekend; a villager makes butter at the Ingraham House; the travelling musician sings and plays guitar for guests; a farmer drives a horse to plough the field at the Lint Farm; a villager makes candles at the Killeen Cabin.

Food Services

The Corporation is incredibly proud to continue the tradition of offering dining services for guests on site. The King's Head Inn Restaurant offers a selection of delicious culinary treats from the past and modern favourites. Food Services include a licensed, English-style pub with a selection of ale, wine and spirits as well as The Axe & Plough Café. New this past year, the Axe & Plough offered to-go food and beverage options from a counter located at the back of the Peddler's Market.

Food Services hosted themed dinners throughout the year at the King's Head Inn . During the harvest season, the restaurant offered a traditional Victorian Thanksgiving Dinner and a family-style Harvest Home Long Table Feast. In 2018, 754 guests attended the Victorian Thanksgiving Dinner, and 382 enjoyed the Harvest Home Long Table Feast. Christmas-themed dinners were very popular again during the 2018 holiday season. From the end of November until December 23rd, 2018, 4,966 plates were served in the beautifully decorated Inn.

An exciting new addition to the Food Services line up was the Feast in the Village. In August, guests were welcomed to an after hours, long table dining experience in the King's Head Inn garden. They shared platters of delicious food while being entertained by villagers. After the meal, festivities continued with song and dance as the sun set. Fifty-three guests attended this inaugural dinner and this experience will be further developed for the upcoming season.



The long-table feast served fifty-three guests during the inaugural dinner.



The menu included salmon, zucchini pie, asparagus, potatoes, venison, and more.



The post-meal entertainment began with music from local group Frantically Atlantic.



The theatre group in front of the Summer Stage.

The Summer Stage

The Summer Stage featured a full schedule of live music and theatre throughout the 2018 season. The Kings Landing theatre company performed on stage three times daily. This talented team sang, played music and put on short, history based plays they wrote themselves. Visitors thoroughly enjoyed these performances. Guest performers also graced the Summer Stage throughout the season. Guest artists included Charlie the Kid, Colin Fowlie, Jaclyn Reinhart, Calum Jackson, and Project "Alive" - Project "Vivant."

GOVERNANCE & ORGANIZATIONAL STRUCTURE

exceptionally well by the public and frequently praised in guest feedback.

Kings Landing Corporation is a Crown Corporation owned by the Government of New Brunswick and is responsible to the Minister of Tourism, Heritage and Culture. As such, it operates within the context of the civil service. However, under the Kings Landing Corporation Act, may operate as a profitable corporation able to produce, purchase goods and sell services or goods where proceeds remain within the corporation.

Government has provided the following mandate direction to the Kings Landing Corporation under the Kings Landing Corporation Act:

- to collect, preserve and exhibit buildings and artifacts which are part of the province's historical resources;
- to create, maintain and operate a historical settlement in the Mactaquac Headpond Area;
- to stimulate the interest of the public in matters depicted in the historical settlement and in historic sites within the Mactaquac Headpond Area;
- to engage in and promote the production and sale of articles and materials related to the historical settlement; and
- to carry on the business of operating a

Key Corporate Objectives

- Preserve and manage our physical collection defined as buildings (both historic and reconstructed), artefacts, plants/trees and animals.
- Authentically interpret the heritage (defined as work habits, craft techniques, life stories and historical 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 organizational sustainability by living within our financial means, our resource means, the appropriate acts, governmental policies and agreements within which Kings Landing resides.

Board of Directors

April 2018 to March 2019

Allison (Al) Walker – *Chair*

Meaghan (Molly) Demma – *Vice Chair*

Juan Estepa

Helen Jean Newman

Ian G. Stead

Lori Leach

Bradley Cross

Leah Grandy

Susan Knight

Eldon Toner

Mary Ellen Vaughan (August 2, 2018)

George McDonald (August 2, 2018)

Kevin Cormier – *Chief Executive Officer*

CORPORATE ORGANIZATIONAL STRUCTURE

The operation of Kings Landing requires substantial resources and support. A dedicated and dynamic team of carpenters, seamstresses, security personnel, curators, researchers, entrepreneurs, artisans, musicians, interpreters, interns, students, food services personnel, marketers and administrators all work tirelessly with one mission in mind: to make history come alive for every guest who visits Kings Landing.

There were 166 employees at Kings Landing during the 2018-2019 fiscal year, including all seasonal, full-time, student and contract positions.



THANK YOU

The success of Kings Landing is a direct result of the support and assistance the Corporation receives. The Corporation wishes to extend a thank you to all third-party partners, volunteers, guest interpreters, workshop instructors, vendors, construction workers, and other individuals and groups who contributed in all ways to Kings Landing during the 2018-2019 fiscal year.

The Corporation extends its deepest gratitude to the Kings Landing Foundation and the financial donors who have generously supported Kings Landing. Private support is critical to grow and provide an exceptional experience. The Corporation looks forward to continued collaboration and partnership opportunities.



APPENDICES

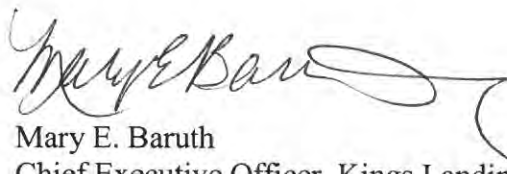


February 14, 2020

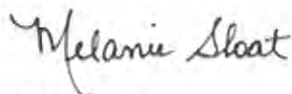
The preparation of the financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of Kings Landing Corporation (the Corporation).

The Corporation has an accounting system and related controls to provide management and the Board of Directors with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with Canadian public sector accounting standards.

It is the responsibility of the Corporation's Board of Directors to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. The Board reviews and recommends approval of the financial statements, and meets periodically with management and the external auditors concerning internal controls and other financial matters.



Mary E. Baruth
Chief Executive Officer, Kings Landing Corporation



Melanie Sloat
Controller, Kings Landing Corporation



INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Directors of Kings Landing Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of King's Landing Corporation (the Entity), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in accumulated surplus, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2019, and the results of its operations, changes in its net financial assets, changes in its accumulated surplus, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Kim MacPherson, FCPA, CA, ICD.D
Auditor General

Fredericton, New Brunswick
February 14, 2020

The following is a summary of matters arising from the Audit of the Financial Statements of Kings Landing Corporation, 2018-2019

Improvement in Internal Controls Needed: Recommend Kings Landing Corporation improve its internal controls to reduce errors in the financial statements.

Improvement Needed in Tangible Capital Asset Estimates: Recommend Kings Landing Corporation maintain detailed records of time spent by its maintenance staff on capital projects to improve accuracy of tangible capital asset capitalization. Also recommend Kings Landing Corporation review and document its rationale for amortization rates.

Inventory Reconciliation Weaknesses: Recommend Kings Landing Corporation compare physical inventory count sheets to the recorded amounts in the final inventory listing. Discrepancies between the amounts recorded should be investigated, reconciled, and documented. This should be retained for audit purposes.

FINANCIAL STATEMENTS

KINGS LANDING CORPORATION

3/31/2019

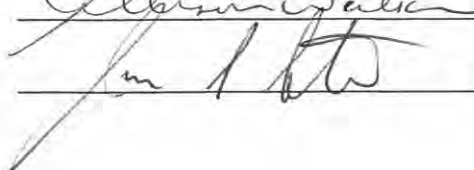
Kings Landing Corporation
Statement of Financial Position
As at 31 March

FINANCIAL ASSETS	2019	2018
Cash and cash equivalents	\$ 924,886	\$ 1,033,683
Accounts receivable	20,285	25,883
	<u>945,171</u>	<u>1,059,566</u>
 LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	207,666	416,940
Working capital advance payable	200,000	200,000
Deferred revenue (Note 2)	44,644	57,233
	<u>452,310</u>	<u>674,173</u>
 NET FINANCIAL ASSETS	<u>492,861</u>	<u>385,393</u>
 NON-FINANCIAL ASSETS		
Prepaid expenses	16,524	5,207
Inventories (Note 5)	68,793	80,201
Kings Landing Collection (Note 2)	1	1
Tangible capital assets (Note 7)	6,678,511	6,639,883
	<u>6,763,829</u>	<u>6,725,292</u>
 ACCUMULATED SURPLUS	<u>\$ 7,256,690</u>	<u>\$ 7,110,685</u>

Contingent liabilities – Note 10
Subsequent event – Note 13

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

Approved by the Board

 Chairperson
 Director

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

	Budget 2019 (Note 9)	2019	2018
REVENUE			
Admissions	\$ 390,000	\$ 350,569	\$ 390,001
Gift Store	160,000	91,121	137,910
Food Services	615,000	604,658	499,152
Interpretation & education	80,000	76,525	73,096
Other Operating Revenue (Note 11)	60,000	94,126	33,232
	<u>1,305,000</u>	<u>1,216,999</u>	<u>1,133,391</u>
GRANTS			
Provincial – Operating	2,807,538	2,826,300	2,815,700
Provincial – Other (Note 4)	50,000	560,000	50,000
Employment Programs	25,000	37,912	37,760
	<u>2,882,538</u>	<u>3,424,212</u>	<u>2,903,460</u>
	<u>4,187,538</u>	<u>4,641,211</u>	<u>4,036,851</u>
EXPENSES			
Interpretation & education	1,631,999	1,461,293	1,473,317
Gift store	135,109	130,342	124,801
Maintenance	755,000	733,536	646,087
Security	160,001	251,679	242,119
Wardrobe	161,000	165,299	160,711
Collections management	79,000	80,668	77,754
Admissions	124,891	113,666	71,469
Public relations & marketing	135,000	122,831	116,767
Finance & administration	430,000	416,873	386,394
Food services	558,000	615,424	478,709
Amortization of tangible capital assets	-	403,595	399,568
	<u>4,170,000</u>	<u>4,495,206</u>	<u>4,177,696</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ 17,538</u>	<u>\$ 146,005</u>	<u>\$ (140,845)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>7,110,685</u>	<u>7,251,530</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 7,256,690</u>	<u>\$ 7,110,685</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

	Budget 2019 (Note 9)	2019	2018
Net Financial Assets at beginning of year	\$ 385,393	\$ 385,393	\$ 485,843
Annual (deficit) surplus	17,538	146,005	(140,845)
Acquisition of tangible capital assets	-	(444,130)	(390,250)
Net disposal of tangible capital assets	-	1,907	-
Amortization of tangible capital assets	-	403,595	399,568
Net change in prepaid expenses	-	(11,317)	601
Net change in inventory	-	11,408	30,476
(Decrease) Increase in Net Financial Assets	<u>17,538</u>	<u>107,468</u>	<u>(100,450)</u>
Net Financial Assets at End of Year	<u>\$ 402,931</u>	<u>\$ 492,861</u>	<u>\$ 385,393</u>

The accompanying notes are an integral part of these financial statements

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

CASH PROVIDED BY (USED FOR):

	2019	2018
Operating Activities		
Annual (deficit) surplus	\$ 146,005	\$ (140,845)
Add items not involving cash:		
Amortization of tangible capital assets	403,595	399,568
Gain on disposal of tangible capital assets	(2,593)	-
(Decrease) Increase of non-cash components of working capital (Note 12)	(216,174)	227,611
	<u>330,833</u>	<u>486,334</u>
Capital Activities		
Acquisitions of tangible capital assets	(444,130)	(390,250)
Proceeds from disposal of tangible capital assets	<u>4,500</u>	<u>-</u>
(DECREASE) INCREASE IN CASH	<u>(108,797)</u>	<u>96,084</u>
Cash and cash equivalents, beginning of year	<u>1,033,683</u>	<u>937,599</u>
Cash and cash equivalents, end of year	<u>\$924,886</u>	<u>\$1,033,683</u>

Cash and cash equivalents are represented by

	2019	2018
Cash	\$ 94,565	\$ 107,381
Short term Investments	<u>830,321</u>	<u>926,302</u>
	<u>\$ 924,886</u>	<u>\$ 1,033,683</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 of New Brunswick 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 grants and capital grants.

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 \$1,164 (2017-2018 – \$4,481) 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, 2019. The Corporation has overdraft protection at a financial institution where interest is calculated at prime rate plus 1.5% per year.

Note 2 continued

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 Kings Landing Corporation are required to participate and receive pension benefits under the New Brunswick Public Service Pension Plan (NBPSPP). The NBPSPP is a multi-employer pension plan which targets a retirement benefit and is subject to legislation under the Provincial Pension Benefits Act and is subject to the Federal Income Tax Act. Employer contributions are paid and expensed by the Province on behalf of Kings Landing Corporation. Kings Landing 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 liability related to employee pensions is not included as part of the Corporation's budget and is recorded by the Province in its financial statements. Employee contributions are 7.5% of pensionable earnings up to the year's maximum pensionable earnings (YMPE) and 10.7% of pensionable earnings above the YMPE. As an employer, the Corporation is required to contribute 12.0% of pensionable earnings. Contributions are included in the Corporation's expenses and totaled \$139,681 (2018 – \$136,827).

Employee benefits

Sick leave benefits are earned by employees of the Corporation at a rate of 1.25 days per month, to a maximum of 240 days. The estimate by management of potential usage, based on experience from the last 3 fiscal years, is \$13,090 (2018 – \$16,877).

Vacation leave benefits are earned by employees of the Corporation and calculated based on the biweekly salary per employee. The estimate by management of the liability, based on vacation days owing is \$67,383 (2018 – \$49,919).

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 fiscal 2013-2014 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 costs and liability associated with the plan is not the responsibility or obligation of Kings Landing Corporation and is 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, if any, 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, capitalized labour, 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. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is calculated using declining balance rates of 5% to 20% or straight line over 10 to 30 years, which represent the estimated useful life of the assets. Assets under construction are not amortized until the asset is available for productive use. 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.

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 are measured at amortized cost.
- c) Working capital advance is measured at historic cost.

3. Accounts payable and accrued liabilities

	2019	2018
Employee benefits	\$ 108,830	\$ 67,443
Other accounts payable and accrued liabilities	98,836	349,497
	<u>\$ 207,666</u>	<u>\$ 416,940</u>

4. Related Party Transactions

The Corporation is related to the Province and several of its departments and agencies.

Inter-entity transactions (transactions between commonly controlled entities) are recorded at the exchange amount when they are undertaken on similar terms and conditions as if the entities were dealing at arm's length. Services provided by these related entities during the year totalled \$170,537 (2018 – \$341,142). Services include work performed by the Department of Transportation and Infrastructure, payroll services, legal services, certain information technology services, licensing, translation, and other services.

Transactions with the Province of New Brunswick and entities under common control of the Province have occurred and been settled on normal trade terms, with the exception of the items noted below:

- The Corporation is economically dependent on the Province of New Brunswick. During the fiscal year, the Corporation received an operating grant of \$2,826,300 (2018 – \$2,815,700), a capital grant of \$560,000 (2018 – \$50,000), and employment program funding of \$15,072 (2018 – \$20,176). The Corporation submits capital projects to the Department of Tourism, Heritage and Culture (THC) for review annually.
- The Corporation has a demand loan owing to the Province of New Brunswick of \$200,000 (2018 – \$200,000) that is unsecured and non-interest bearing with no specific terms of repayment.
- Government agencies contribute certain other services, such as human resources, information technology services, and audit services at no cost.

5. Inventories

	2019	2018
Gift store	\$ 25,952	\$ 37,628
Fabrics	9,536	10,011
Food and liquor	29,128	23,461
Other	7,795	12,719
Subtotal	72,411	83,819
Less: Provision for obsolescence	(3,618)	(3,618)
	<u>\$ 68,793</u>	<u>\$ 80,201</u>

6. Expenses by object

	2019	2018
Amortization	\$ 403,595	\$ 399,568
Salaries, wages and benefits	3,024,298	2,870,353
Cost of goods sold	220,109	217,032
Other expenses	847,204	690,743
	<u>\$ 4,495,206</u>	<u>\$ 4,177,696</u>

7. Tangible capital assets

		Land	Buildings	Site	Mobile	Computer	Office	Bridge	Work in Process	2019	2018
	Estimated Useful Life/Depreciation %	Buildings	5% / 30 years	Services	Equipment	Hardware/Software	Furniture	10 years	Buildings	Total	Total
		5% / 30 years	20 - 30 years	20 - 30 years	5% - 20%	20%	20%	10 years			
Cost											
Opening Cost		1	8,486,715	211,567	411,374	171,000	31,659	636,752	57,446	10,006,514	9,616,264
Transferred from WIP		-	57,446	-	-	-	-	-	(57,446)	-	-
Additions net of disposal		-	230,530	-	64,694	40,179	-	-	108,727	444,130	390,250
Disposals		-	-	-	(10,105)	-	-	-	-	(10,105)	-
Closing Cost		1	8,774,691	211,567	465,963	211,179	31,659	636,752	108,727	10,440,539	10,006,514
Accumulated Amortization											
Opening Accumulated Amortization		-	2,771,836	67,382	308,342	95,298	28,260	95,513	-	3,366,631	2,967,063
Disposal		-	-	-	(8,198)	-	-	-	-	(8,198)	-
Amortization Expense		-	296,840	7,361	15,880	19,159	680	63,675	-	403,595	399,568
Closing Accumulated Amortization		-	3,068,676	74,743	316,024	114,457	28,940	159,188	-	3,762,028	3,366,631
Net Book Value		1	5,706,015	136,824	149,939	96,722	2,719	477,564	108,727	6,678,511	6,639,883

Q

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 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, 2019 is equal to the accounts receivable balance of \$20,285. Credit risk is not disbursed as the Federal government comprises 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. Budget

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

10. 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.

11. Other operating revenue

	2019	2018
Donations	\$ 7,527	\$ 13
General and interest	84,800	30,960
Rentals	1,799	2,259
	<u>\$ 94,126</u>	<u>\$ 33,232</u>

12. Non-cash components of working capital

	2019	2018
Change in accounts receivable	\$ 5,598	\$ 810
Change in prepaid expenses	(11,317)	601
Change in inventories	11,408	30,476
Change in accounts payable and accrued liabilities	(209,274)	178,826
Change in deferred revenue	(12,589)	16,898
	<u>\$ (216,174)</u>	<u>\$ 227,611</u>

13. Subsequent Event

In July 2018, the Corporation's Board of Directors approved spending of up to \$600,000 to construct a new residence building. The Corporation has received \$300,000 from the Province in fiscal 2018-2019 for the project with the remaining funding to be provided by the Kings Landing Foundation and the Corporation. During the year, approximately \$41,610 was incurred for the preliminary design of the new building.

Subsequent to year end, the Corporation's Board of Directors agreed to postpone construction of the new building and requested a review of the costs and scope of renovations required for the existing residence building, the Slipp House.



KINGS LANDING