

KINGS LANDING



Kings Landing Corporation 2021-2022 Annual Report



Kings Landing Corporation
2021-2022 Annual Report

Published by:
Government of New Brunswick

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

Printed in New Brunswick

ISBN 978-1-4605-3381-9 (Print)
ISBN 978-1-4605-3382-6 (Online)
ISSN 1921-4456 (Print)
ISSN 2562-282X (Online)

 TABLE OF CONTENTS 

Transmittal Letters 1

Message from the Board Chair..... 2

Message from the CEO..... 3

Corporation Act & Mission Statement..... 4

Board of Directors..... 4

Highlights from 2021-2022..... 5

Priority Pillars Update 7

 🌿 1. Infrastructure Renewal..... 7

 🌿 2. Employee Retention & Attraction..... 8

 🌿 3. Greater Interpretive Mandate..... 9

 🌿 4. Student Education..... 11

 🌿 5. Incremental Revenue Contribution..... 12

 🌿 6. Guest Visitation Growth..... 13

Appendix: 2021-2022 Financial Statements..... 14



 TRANSMITTAL LETTERS 

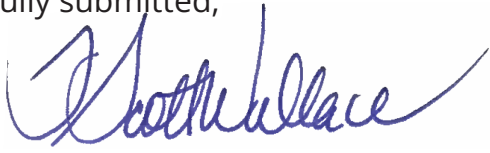
FROM THE MINISTER TO THE LIEUTENANT GOVERNOR

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, 2021 to March 31, 2022.

Respectfully submitted,



Honourable Tammy Scott-Wallace
Minister of Tourism, Heritage and Culture

FROM THE CHAIR OF THE BOARD OF DIRECTORS TO THE MINISTER

Honourable Tammy Scott-Wallace
Minister of Tourism, Heritage and Culture

Dear Minister Scott-Wallace:

I am pleased to present the annual report describing operations of the Kings Landing Corporation for the fiscal year April 1, 2021 to March 31, 2022.

Respectfully submitted,



Al Walker
Chair, Board of Directors
Kings Landing Corporation

 A MESSAGE FROM THE BOARD CHAIR 

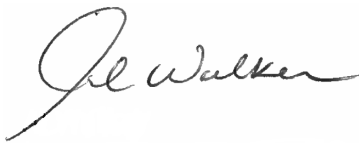
On behalf of the Board of Directors of Kings Landing Corporation, it is my pleasure to present the Annual Report for the 2021-2022 season. While still in the midst of the COVID-19 pandemic, Kings Landing grew its attendance and reached a 94% approval rating from its visitors through innovative programming and by reaching new audiences.

I want to thank our CEO, Mary E. Baruth, staff and the many volunteers who continue to bring New Brunswick and Canadian history to life at Kings Landing.

I also want to 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 be essential to our achieving our mandate as a Living History Museum.

Finally, I would also like to thank the Kings Landing Foundation for their support of the Slipp House renewal.

Sincerely,



Al Walker
Chair, Board of Directors
Kings Landing Corporation



A MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In 2021-2022, the pandemic continued, and even with the introduction of mandatory vaccination for entry to Kings Landing, we still came out on top. Embracing the challenges and changes that continued throughout the year, Kings Landing built on the success of 2020-2021, increasing community support and visitation through innovative programs, new events, and a return to our roots. From the reopening of the Theatre, the reintroduction of musical performers, the restoration of the Gordon House to a living history house to the restoration and renovation of the Slipp House and the return of Maple, the First Taste of Spring, Kings Landing welcomed 26,782 visitors. On Family Day alone, in 3 hours, Kings Landing saw 703 visitors, who came just to walk through the shuttered village!

I am honoured to lead this team, and to have reintroduced the Staff Awards and Recognition programs – Kings Landing has an amazing cadre of characters, each one finding ways to engage our guests and each other through the creation of the Kings Landing Choral Society, Kings Landing Theatre Troup, Benevolent Women’s Society, the Ideas Group and Craft Council. Staff has never wavered in their commitment to engage visitors safely, enhance programming and create an environment of comfort and safety in a time of great fear and uncertainty. Kings Landing staff are truly in a class all their own.

The 2021-2022 Annual Report continues to follow the new format, focussing on connections with the 2019-2022 Corporate Strategy, specifically the Priority Pillars and the Performance Targets, as well as the Annual Plan, which is built on the Pillars and the Mandate Letter from the Province. It also includes the 2021-2022 Annual Financial Audit, prepared by Teed Saunders Doyle & Company, Accountants & Advisors.

On behalf of the Board and the dedicated, passionate, and creative people who work and volunteer at Kings Landing Corporation, I am proud to present the 2021-2022 Annual Report.

Sincerely,



Mary E. Baruth
CEO
Kings Landing Corporation



THE KINGS LANDING CORPORATION ACT

Government has provided the following direction to the Kings Landing Corporation Board and CEO to:

- Collect, preserve, and exhibit buildings and artifacts which are part of the Province's historical resources;
- Create, maintain, and operate an historical settlement in the Mactaquac Head Pond area;
- Stimulate the interest of the public in matters depicted in the historical settlement and in historic sites within the Mactaquac Head Pond area;
- Engage in and promote the production and sale of articles and materials related to the historical settlement; and,
- Carry on the business of operating a restaurant, dining-room, lounge or similar establishment or any combination thereof.

MISSION STATEMENT

To create, maintain, and operate as a world-class attraction, an authentic living history museum that will attract, engage, enrich and educate the people of New Brunswick and visitors by showcasing the well-researched adaptation by people who lived along the St. John River through the 19th Century.



BOARD OF DIRECTORS



April 2021-March 2022

Al Walker – Chair

Helen Jean Newman – Vice Chair

Bradley Cross

Chantal Gauthier (appointed June 2021)

Ian G. Stead (resigned July 2021)

Juan Estepa (resigned October 2021)



Kimberly Nash-McKinley (appointed June 2021)

Mary Ellen Vaughn

Susan Knight

Tom Dixon (appointed June 2021)

Mary E. Baruth, CEO (Ex-officio)



HIGHLIGHTS FROM 2021-2022

In this 47th tourist season, Kings Landing continued to provide excellence in visitor experience with:

- 🌸 Introduction of the Apprentice Program;
- 🌸 Reopening of the Theatre;
- 🌸 Peddler's Market return to original location;
- 🌸 Reopening of the Scott Barn;
- 🌸 Reopening and restoration of the Sash & Door;
- 🌸 Gordon House returned to living history house;
- 🌸 New itinerant Blacksmith Shop;
- 🌸 New location for Carpenter Shop;
- 🌸 Renovation of the Heritage Gallery into the Learning Centre;
- 🌸 New broom making shed;
- 🌸 Reopening of the Donaldson House;
- 🌸 Return of children to the site through the Children on Site Policy;
- 🌸 Relocation of Indigenous exhibit to the Welcome Centre;
- 🌸 Thirteen youth hired through the Young Canada Works and Canada Summer Jobs programs;
- 🌸 New Red Seal Chef joined the King's Head Inn team;
- 🌸 First Murder Mystery event attracting 1,132 visitors in four hours;
- 🌸 First Family Day event attracting 703 visitors in three hours;
- 🌸 The return of Maple, the first taste of Spring.



PRIORITY PILLARS

The Priority Pillars and Performance Targets identified in the Corporate Strategy provide Kings Landing with goals for financial and community stewardship to which all staff aim to meet yearly.

Corporate Strategy Performance Target: 5% Reduction in Administrative Expenses

Update: Staff worked to identify areas for a reduction in expenses, which included realignment and use of stored resources (office supplies, etc.) a 24% reduction in administrative expenses was achieved.

PRIORITY PILLAR 1: INFRASTRUCTURE RENEWAL

- The Slipp House restoration/renovation is underway;
- The Lower Pokiok school is in the process of being renovated to be returned to its role as a Superior School;
- The Learning Centre has been renovated and outfitted with washrooms, a water bottle refilling station and meeting space;
- Underground electrical at the Perley House was undertaken;
- New roof and stabilization of the Heustis Barn;
- Water supply re-established to Jones House

Corporate Strategy Performance Target: \$3.12M Investment in Infrastructure over three years

Status: Kings Landing received \$50,000 from the Province to infrastructure projects. At the end of the fiscal year, applications were made to the Department of Canadian Heritage Cultural Spaces program for the final phase of the Slipp House/Learning Centre project; the Canada Community-Building Fund, and; the Canada Green and Inclusive Community Buildings (GICB) Program. The goal being to leverage existing funds from government and private donors.



PRIORITY PILLAR 2: EMPLOYEE RETENTION & ATTRACTION

Hiring/Reclassification

- Assistant Director of Visitor Services (reclassification);
- Assistant Director of Heritage Resources (reclassification);
- Interpretation & Education Coordinator;
- Special Events & Program Coordinator;
- Collections Coordinator;
- Heritage Livestock & Farming Coordinator;
- Historic Costume & Craft Coordinator (reclassification);
- Office Assistant;
- Young Canada Works Building Careers in Heritage Intern (grant funded);
- Thirteen youth positions through Young Canada Works and Canada Summer jobs (grant funded);

Review & Audit

- Reviewed staffing requirements;
- Realigned staffing in 2021-2022 to align with corporate goals;
- Job descriptions created;
- Annual performance evaluations undertaken.

Professional development

- Took advantage of GNB training modules.

Corporate Strategy Performance Target: workforce turnover per year 8%

Status: In 2021-2022 Kings Landing was able to invite casual staff not hired back in 2020 due to the pandemic. The workforce turnover was at 3% (4 employees).



PRIORITY PILLAR 3: GREATER INTERPRETIVE MANDATE

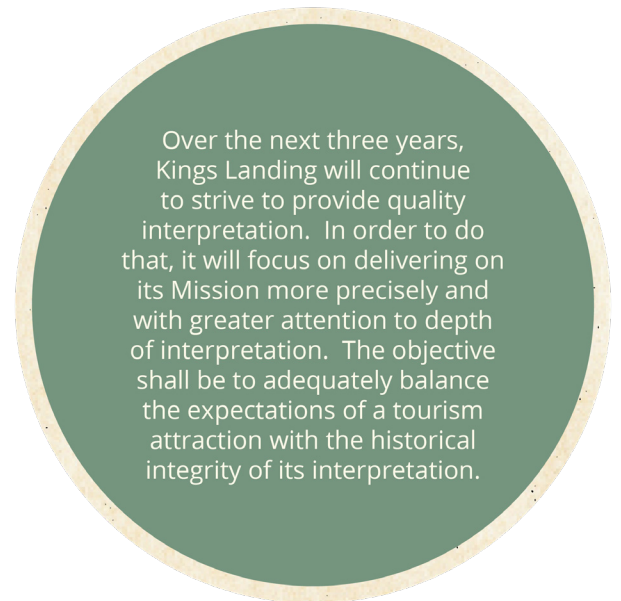
Kings Landing offered several new, expanded, and enhanced approaches to the visitor's first impression and interpretation:

Programming

- The Greeter program continued to introduce visitors to Kings Landing at the very beginning of their journey through time;
- The Gordon House was restored as a living history house;
- Partnerships with the Tomlinson Lake Hike to Freedom and the New Brunswick Black History Society brought presentations on Black History to the Gordon House and the site for Emancipation day
- The return of theatre to the Ingraham Barn, with tales and music based on New Brunswick Heritage;
- Murder & Mayhem, an improvisational murder mystery, was attended by 1,132 visitors;
- Family Day introduced;
- Return of Maple, the First Taste of Spring to the west side of the Village;
- Christmas by the Hearth was enhanced by the addition of the Gordon House, footmen, the Kings Landing Choral Society and a reception for all guests;
- Full calendar of events for every weekend of the season.

Collections and research

- Kings Landing made a successful application to the Young Canada Works Building Careers in Heritage for an intern to research the historical inhabitants of the village houses and buildings for better interpretation by staff during the 2022-2023 season;
- The acquisition of the Slipp family night dress which belonged to Celia Slipp, daughter of Leonard and Eleanor Slipp, the first owners of the Slipp House.
- The acquisition of two matching Regency chairs which were placed in the elegant drawing room at the Morehouse to reflect furniture the family had passed down from the time of Daniel Morehouse.
- Summer grant students were able to work on the moth remediation as well as learn the process for cataloguing historical objects.



Exhibits

- The Gordon House and Sash & Door exhibitions were removed and redesigned to fit into the Welcome Centre and/or to be travelling exhibitions. Kings Landing also worked with or is working with guest curators to present exhibits on relevant New Brunswick history and heritage. Several traveling exhibits listed in the 2020-2021 Annual Report continue to travel throughout New Brunswick.

Site exhibitions:

- *Indigenous exhibit*: moved to the Welcome Centre and augmented by acknowledgement panel and additional historical objects;
- *Lumbering exhibit*: moved to the Welcome Centre and augmented by adding a new collection of reproductions;
- *MacBeath Gallery*: moved to the Axe & Plough Area in preparation for the 50th anniversary of Kings Landing Taking place in 2024;
- *Thematic exhibits*: Exhibits were changed weekly to complement special event weekends;
- *Black History, Emancipation Day, and Slavery*: Exhibited in the Gordon House, with Ralph Thomas of the New Brunswick Black Historical Society as guest Curator.

Travelling exhibitions:

- *Not only a Housewife*: Government House.

Corporate Strategy Performance Target: 85% Guest Satisfaction rating of "Excellent" or "Very Good"

Update: Kings Landing had a visitor approval rating of 94% in 2021. Some comments include:

"Wonderful day discovering a gem in New Brunswick. Gorgeous scenery and the village is so interesting with friendly villagers everywhere. A great experience and we can't wait to go back!" ~ Facebook Recommendation

"Loved everything about this place. Great food, great staff and such amazing buildings." ~ Google Review

"Its absolutely fabulous. Nice experience that we will never forget about King Landing. Thank you." ~ iPad Survey

"Amazing Experience...highly recommended. I love that they allow you to go through the old houses and see how people really lived back then. You can see the old schoolhouses, print shops and blacksmith in action if you show up on the right day. The furniture blows my mind, everything you see was built by hand, but the quality and craftsmanship will beat anything you can purchase today." ~ Google Review

"Wonderful experience. Day spent well. Felt like I am actually in 1800" ~ iPad Survey

"We had a great day at Kings Landing, highly recommend it. It's much bigger than one would think so spend some time there and make sure you walk through the whole thing. You never know, you might get to watch a baseball game or go to a barn dance!" ~ Facebook Recommendation

PRIORITY PILLAR 4: STUDENT EDUCATION

Kings Landing continued to develop online programs while school visitation was not possible.

Online programs:

- Lesson 7: Print Shop and Potato Printing
- Lesson 8: Learn to Make a Thaumatrope at Home
- Lesson 9: Blacksmithing for Beginners
- Lesson 10: A Lesson on the History of Natural Dyeing
- Lesson 11: A Victorian Christmas History Lesson
- Lesson 12: A History Lesson on Butter Making
- Maple, The First Taste of Spring

In person learning:

- “Down on the Farm” for all grade levels with activities based on the four seasons on the farm and in 19th Century New Brunswick

Corporate Strategy Performance Target: 75% growth in student participation

Update: While it continues to be difficult to gauge the number of teachers and students who used online learning, student participation was on the rise prior to the pandemic and the combined numbers of the three year Corporate Strategy 2019-2022 exceeded 2018 annual visitation by **391%**.



PRIORITY PILLAR 5: INCREMENTAL REVENUE CONTRIBUTION

Kings Landing further developed ways in 2021-2022 to increase revenue streams through:

- Weekly workshops;
- Facility rental;
- Film and photography rentals;
- Travelling exhibitions;
- Weddings;
- Valued-added season passes;
- Day camps to offset not being able to offer the Visiting Cousin/Heritage Adventures programs while the Slipp House was under renovation.
- Sale of retired modern retail, maintenance, and kitchen equipment.

Food & Beverage Services

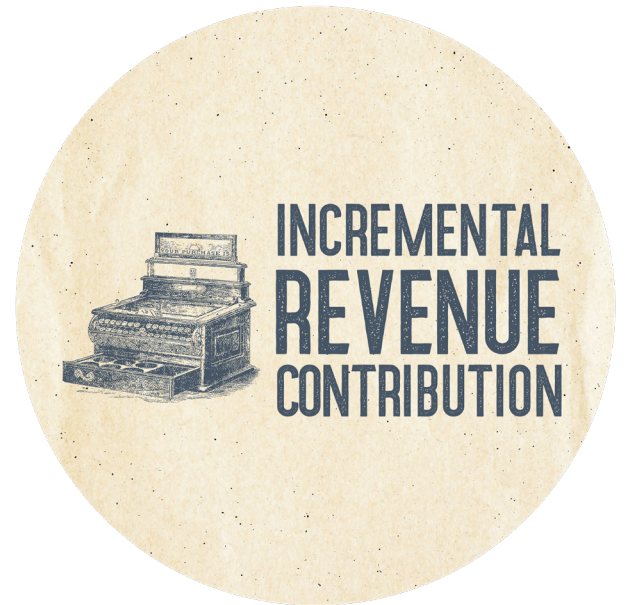
- The King's Head Inn was able to offer indoor dining once again as the government health and safety mandates allowed restaurants to operate more regularly. In the interest of visitor safety, the staff decided to maintain half capacity inside the restaurant. The garden remained open to continue offering delicious menu items at outdoor picnic tables. Local musicians were invited to entertain guests with music on the garden porch and during special dining events.
- The Axe & Plough Café continued to operate as a bakery with brown bread, cookies, and cinnamon rolls in addition to other grab & go food and beverages. The public could pre-order from a special menu, a new addition to the café's offerings. Sales saw an increase at the end of the season.

Retail & The Kings Landing Collection

- The Peddler's Market and Grant Store offered more unique products made by local artisans and Kings Landing's creative staff. Trades staff once again provided items made on site for both retail locations. Popular items in the Kings Landing Collection included hand-forged items from the Blacksmith shop, hand-carved memory spoons, braided rugs, dyed wool, knitted items, cutting boards, bonnets, and more.

Corporate Strategy Performance Target: 10% growth of self-generated revenues

Update: Programs that had not previously existed contributed to an increase in self-generated revenues of 7% in 2021-2022. The King's Head Inn, a source of self-generated revenue dining areas were reduced to 50% capacity, with the Pub closed during the season. The absence of group tour, educational tours and motorcoach visitation also affected retail sales, in addition to admissions.



PRIORITY PILLAR 6: GUEST VISITATION GROWTH

Kings Landing opened, as scheduled in June, under the mandates and protocols established by the COVID-19 operational plan, with a total of 26,782 guests attending during the 47th season.

Corporate Strategy Performance Targets: 20% growth in guest visitation and 15% growth in group tour business

Update: In 2021-2022, Kings Landing increased visitation by just over 50% over 2020-2021, welcoming 26,782 visitors. Of this total, 1,328 came from group tour visitors, an increase of just over 275% over 2020-2021. It is important to note that in 2020-2021, Kings Landing experienced a drop of 55% in guest visitation over the previous year and 94% decline in group and motorcoach tours due to pandemic restrictions.



APPENDIX



Independent Auditor's Report & 2021-2022 Financial Statements



FINANCIAL STATEMENTS

KINGS LANDING CORPORATION

3/31/2022

KINGS LANDING CORPORATION
Index to Financial Statements
Year Ended March 31, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations and Change in Accumulated Surplus	4
Statement of Changes in Net Financial Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Directors of Kings Landing Corporation

Opinion

We have audited the financial statements of Kings Landing Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and change in accumulated surplus, changes in net financial assets and cash flows 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 Corporation as at March 31, 2022, and the results of its operations 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 Corporation 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 those 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

(continues)

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 Corporation'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 Corporation'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 Corporation 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.

Teed Saunders Doyle

Fredericton, New Brunswick
November 18, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS


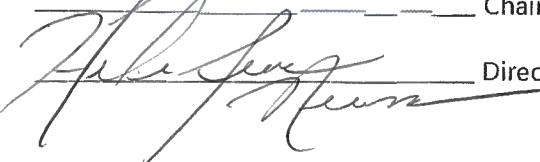
Kings Landing Corporation
Statement of Financial Position
As at 31 March

FINANCIAL ASSETS	2022	2021
Cash and cash equivalents	\$ 1,305,658	\$ 935,394
Accounts receivable	780,380	101,100
	2,086,038	1,036,494
LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	911,045	355,132
Working capital advance payable	200,000	200,000
Deferred revenue (Note 2)	10,082	6,816
	1,121,127	561,948
NET FINANCIAL ASSETS	964,911	474,546
NON-FINANCIAL ASSETS		
Prepaid expenses	14,991	19,242
Inventories (Note 5)	78,423	79,469
Kings Landing Collection (Note 2)	1	1
Tangible capital assets (Note 7)	6,606,230	6,501,425
	6,699,645	6,600,137
ACCUMULATED SURPLUS	\$ 7,664,556	\$ 7,074,683

Contingent liabilities – Note 10

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

Approved by the Board


 _____ Chairperson – Al Walker

 _____ Director – Helen Jean Newman

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

	Budget 2022 (Note 9)	2022	2021
REVENUE			
Admissions	\$ 150,000	\$ 229,381	\$ 138,690
Gift Store	85,000	114,566	70,602
Food Services	296,000	244,617	162,607
Donations – Slipp House	0	45,000	0
Interpretation & education	8,500	0	4,210
Other Operating Revenue (Note 11)	55,000	113,218	133,517
	<u>594,500</u>	<u>746,782</u>	<u>509,626</u>
GRANTS			
Provincial – Operating	2,826,300	2,863,800	2,849,000
Provincial – Other (Note 4)	50,000	250,000	750,000
Provincial – Retro Pay	0	694,637	0
Employment Programs	45,000	83,947	52,595
	<u>2,921,300</u>	<u>3,892,384</u>	<u>3,651,595</u>
	<u>3,515,800</u>	<u>4,639,166</u>	<u>4,161,221</u>
EXPENSES			
Interpretation & education	1,239,047	1,346,634	1,156,293
Gift store	120,994	152,632	110,605
Maintenance	707,803	662,012	1,065,825
Security	235,019	129,727	220,923
Wardrobe	113,377	154,401	107,781
Collections management	86,977	95,362	78,375
Admissions	69,870	78,878	67,018
Public relations & marketing	126,718	162,153	122,359
Finance & administration	506,005	519,849	487,049
Food services	424,334	370,909	340,471
Amortization of tangible capital assets	0	376,736	390,397
	<u>3,630,144</u>	<u>4,049,293</u>	<u>4,147,096</u>
ANNUAL (DEFICIT) SURPLUS	<u>(114,344)</u>	<u>589,873</u>	<u>14,125</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>7,074,683</u>	<u>7,060,558</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$7,664,556</u>	<u>\$ 7,074,683</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 2022 (Note 9)	2022	2021
Net Financial Assets at beginning of year	\$ 474,546	\$ 474,546	\$ 561,362
Annual (deficit) surplus	(114,344)	589,873	14,125
Acquisition of tangible capital assets		(481,541)	(475,234)
Amortization of tangible capital assets		376,736	390,397
Net change in prepaid expenses		4,251	(10,150)
Net change in inventory		1,046	(5,954)
Increase (Decrease) in Net Financial Assets	<u>360,202</u>	<u>490,365</u>	<u>(86,816)</u>
Net Financial Assets at End of Year	<u>\$ 360,202</u>	<u>\$ 964,911</u>	<u>\$ 474,546</u>

The accompanying notes are an integral part of these financial statements

**Kings Landing Corporation
Notes to the Financial Statements
31 March 2022**

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

CASH PROVIDED BY (USED FOR):	2022	2021
Operating Activities		
Annual surplus	\$ 589,873	\$ 14,125
Add items not involving cash:		
Amortization of tangible capital assets	376,736	390,397
(Decrease) Increase of non-cash components of working capital (Note 12)	(114,804)	(47,478)
	<u>851,805</u>	<u>357,044</u>
Capital Activities		
Acquisitions of tangible capital assets	(481,541)	(475,234)
	<u>370,264</u>	<u>(118,190)</u>
INCREASE (DECREASE) IN CASH	<u>370,264</u>	<u>(118,190)</u>
Cash and cash equivalents, beginning of year	<u>935,394</u>	<u>1,053,584</u>
Cash and cash equivalents, end of year	<u>\$ 1,305,658</u>	<u>\$ 935,394</u>

Cash and cash equivalents are represented by

	2022	2021
Cash	\$ 205,298	\$ 5,069
Short term Investments	<u>1,100,360</u>	<u>930,325</u>
	<u>\$ 1,305,658</u>	<u>\$ 935,394</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, capital grants, and other 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 \$18,641 (2020-2021 – \$3,682) were received from donors and added to the collection.

Note 2 Continued

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, 2022. 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 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 \$117,281 (2021 – \$126,712).

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 \$26,195 (2021 – \$37,603).

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 \$112,264 (2021 – \$82,927).

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. Retirement allowance paid out \$0 (2021 – \$21,860).

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.

Note 2 Continued

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

	2022	2021
Employee benefits	\$ 744,981	\$ 227,828
Other accounts payable and accrued liabilities	166,064	127,304
	<u>\$ 911,045</u>	<u>\$ 355,132</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 \$186,506 (2021 – \$615,334). 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 \$2,863,800 (2021 – \$2,849,000), a capital grant of \$50,000 (2021 – \$750,000), \$200,000 COVID relief funding, \$694,637 in Retro funding for CUPE Agreement, and employment program funding of \$15,804 (2021 – \$15,708). 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 (2021 – \$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

	2022	2021
Gift store	\$ 31,683	\$ 43,917
Fabrics	6,542	7,507
Food and liquor	33,631	23,202
Other	10,185	8,461
Subtotal	<u>82,041</u>	<u>83,087</u>
Less: Provision for obsolescence	<u>(3,618)</u>	<u>(3,618)</u>
	<u>\$ 78,423</u>	<u>\$ 79,469</u>

Kings Landing Corporation
Notes to the Financial Statements
31 March 2022

6. Expenses by object

	2022	2021
Amortization	\$ 376,736	\$ 390,397
Salaries, wages and benefits	2,846,191	2,663,344
Cost of goods sold	132,265	102,098
Other expenses	694,101	991,257
	<u>\$ 4,049,293</u>	<u>\$ 4,147,096</u>

7. Tangible capital assets

Estimated Useful Life/Depreciation %	Computer							2022	2021	
	Buildings	Site Services	Mobile Equipment	Hardware / Software	Office Furniture	Bridge	Work in Process			
Land	5% / 30 years	20 - 30 years	5% - 20%	20%	20%	10 years	Buildings	Total	Total	
Cost										
Opening Cost	1	8,976,365	224,928	521,590	226,435	32,189	636,752	438,032	11,056,292	10,581,058
Additions net of disposal	-	135,680	17,621	27,736	694	-	-	299,810	481,541	475,234
Closing Cost	1	9,112,045	242,549	549,326	227,129	32,189	636,752	737,842	11,537,833	11,056,292
Accumulated Amortization										
Opening Accumulated Amortization	-	3,652,920	87,636	346,669	151,132	29,972	286,538	-	4,554,867	4,164,470
Amortization Expense	-	276,106	8,101	14,159	14,253	443	63,674	-	376,736	390,397
Closing Accumulated Amortization	-	3,929,026	95,737	360,828	165,385	30,415	350,212	-	4,931,603	4,554,867
Net Book Value	1	5,183,019	146,812	188,498	61,744	1,774	286,540	737,842	6,606,230	6,501,425

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, 2022 is equal to the accounts receivable balance of \$780,380 (2021 - \$101,100). Credit risk is not disbursed as the Federal and Provincial government comprises a significant portion of the accounts receivable balance.

Note 8 continued

- 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

	2022	2021
Donations	\$ 1,300	\$ 414
General and interest	111,754	132,722
Rentals	164	381
	<u>\$ 113,218</u>	<u>\$ 133,517</u>

12. Non-cash components of working capital

	2022	2021
Change in accounts receivable	\$ (679,280)	\$ (78,060)
Change in prepaid expenses	4,251	(10,150)
Change in inventories	1,046	(5,954)
Change in accounts payable and accrued liabilities	555,913	46,485
Change in deferred revenue	3,266	201
	<u>\$ (114,804)</u>	<u>\$ (47,478)</u>



KINGS LANDING

