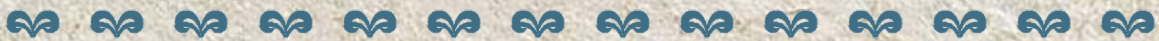
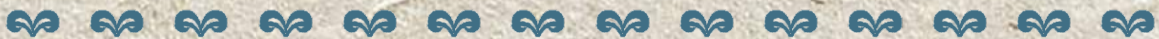


KINGS LANDING



KINGS LANDING CORPORATION 2020-2021 ANNUAL REPORT





Kings Landing Corporation
2020-2021 Annual Report

Published by:
Government of New Brunswick

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

Printed in New Brunswick

ISBN 978-1-4605-3074-0 (Print)
ISBN 978-1-4605-3075-7 (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
2020-2021 Highlights	5
Priority Pillars	7
Infrastructure Renewal	8
Employee Retention/Attraction	8
Greater Interpretive Mandate	9
Student Education	11
Incremental Revenue Contribution	11
Guest Visitation Growth	12
Board of Directors	13
Appendix: 2020-2021 Financial Statements	15



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, 2020 to March 31, 2021.

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, 2020 to March 31, 2021.

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 2020-2021 season. In spite of the COVID-19 pandemic, this year was a successful year for Kings Landing, with the introduction of new programming initiatives.

I want to thank our new 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

2020-2021: the year of challenge, change and the COVID-19 pandemic. As the new CEO, I was taxed with the implementation of the Corporate Strategy 2019-2022, which led to new opportunities to increase community support and attract new and old audiences. It also paved the way to try new things, and to the revitalization of programming through the initiative of the Kings Landing Ideas Group, a group of staff dedicated to presenting programming that is engaging, entertaining and educational.

And instead of waiting for the pandemic to pass, Kings Landing embraced the “new normal” and found ways to engage visitors safely, enhance programming and create an environment of comfort and safety in a time of great fear and uncertainty. Kings Landing has met every challenge with great aplomb and is now looking forward to all that is possible in coming seasons. I am honoured to lead this team.

The 2020-2021 Annual Report is organized in a different format than previous years. It focuses on the 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 2020-2021 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 2020-2021 Annual Report.

Sincerely,



Mary E. Baruth
CEO
Kings Landing Corporation



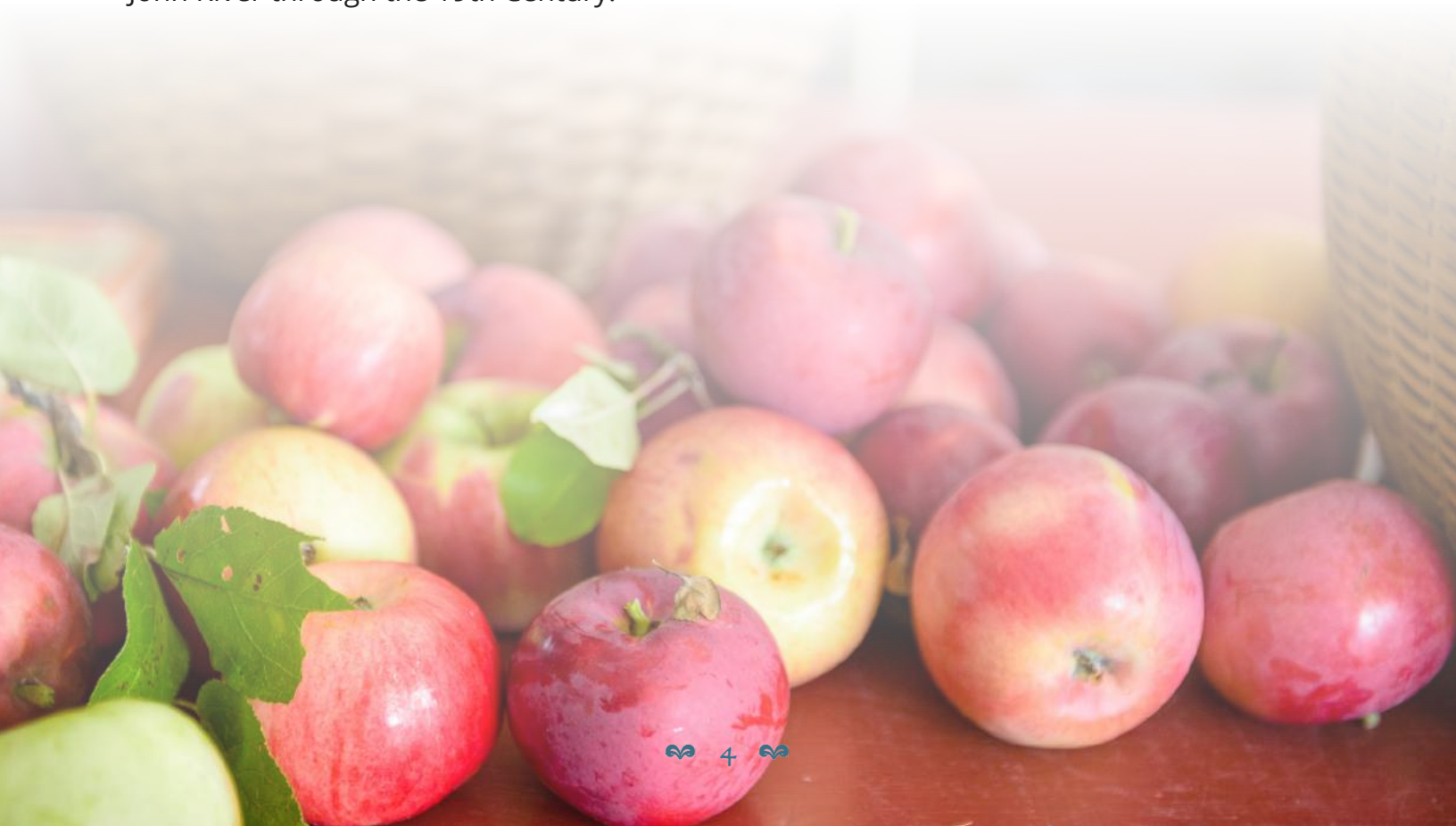
THE KINGS LANDING CORPORATION ACT

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.



HIGHLIGHTS FROM 2020-2021

In this 47th tourist season, Kings Landing was in a year of transition, challenge, and change. A new CEO with over 30 years in living history, museums and cultural heritage tourism set the stage for bringing all aspects of Kings Landing to life. The pandemic presented an opportunity for Kings Landing to reposition the site as an open-air museum, and still bring history to life in a safe environment for all visitors, staff, and volunteers.

- ☞ Staff and volunteers embraced the pandemic and created and implemented the Kings Landing COVID-19 operational plan, the first of its kind, which was subsequently shared and used as a guiding template for local sites as well as museums, parks, government agencies, and tourism sites nationally and internationally;
- ☞ The launch of the new logo and branding strategy;
- ☞ The creation of the Ideas Group;
- ☞ The Greeter Program was introduced to help visitors understand COVID-19 protocols and feel comfortable when onsite, in wagons and in buildings;
- ☞ In 2020-2021, the “green shirt” program came to an end, with site staff, including members of the maintenance team, all dressing in period costume while on site, Wednesday through Sunday;
- ☞ The Grant Store was returned to its original purpose as a retail location and living history stop;
- ☞ The Slipp House, the home to the Visiting Cousins and Family & Kin program, which has welcomed over 8,500 children since its inception, was moved from back of house operations to take centre stage on the west side of the village in September;
- ☞ A Partnership with New Brunswick College of Craft & Design: Graduation exhibition and Artisans Faire at Hoyt House;
- ☞ After a twenty-year absence, Christmas in the Valley, and the introduction of Christmas by the Hearth dinners in historic houses were met with rousing approval by visitors.





PRIORITY PILLARS

INFRASTRUCTURE RENEWAL



The infrastructure at Kings Landing is over 40 years old and there has been a growing list of deferred maintenance that will require attention over the next three years. Kings Landing will also be investing with the help of government and other funding partners in infrastructure that will provide new revenue opportunities and better programming.

EMPLOYEE RETENTION & ATTRACTION



One of the greatest assets Kings Landing has is the people who work passionately to produce a fantastic experience. Over the next three years Kings Landing will:

- A) establish a new workforce retention strategy to ensure that employees continue to find Kings Landing a viable place to work;
- B) develop a training curriculum for employees to learn unique skills required to prevent the programing and;
- C) attract talented employees.

GREATER INTERPRETIVE MANDATE



Kings Landing has enjoyed a fantastic reputation as a center of excellence in experiential education. Over the years, there has been less engagement from educators to bring their students to visit and learn. Over the next three years, Kings Landing will seek to re-establish a strong partnership with educators to ensure many more students have access to a robust curriculum with an objective to bringing school children back.

STUDENT EDUCATION



Over the next three years, Kings Landing will continue to strive to provide quality interpretation. In order to do that, it will focus on delivering on its Mission more precisely and with greater attention to depth of interpretation. The objective shall be to adequately balance the expectations of a tourism attraction with the historical integrity of its interpretation.

INCREMENTAL REVENUE CONTRIBUTION



Over the last several years, Kings Landing has focused heavily on developing robust lines of business to help offset operational costs of producing the Kings Landing experience. Kings Landing will continue over the next three years to identify new and profitable ways to add value for guests while directly contributing to greater operational costs.

GUEST VISITATION GROWTH



Strong attendance and guest engagement is critical for the sustainability of Kings Landing. As has been over the course of the last decade, Kings Landing will continue to focus on a guest growth strategy built on quality programing worthy of repeat visitation and favorable recommendation. Our focus shall be on community and intercept marketing; aiming to empower our audience to help entice new guests both local and foreign.

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

Status: Staff worked to identify areas for reductions in expenses which included realignment, and use of stored resources (office supplies, etc.). A 7.6% reduction in administrative expenses was achieved.

INFRASTRUCTURE RENEWAL

- ☞ The Asset Condition Assessment and Capital Renewal Plan (ASACRP) was undertaken by EXP after a rigorous RFP process. This comprehensive plan provides detailed condition reports of service and historic buildings and structures, fences, infrastructure, and prioritize replacement and repair based on Parks Canada guidelines. It also sets the recommended budget over a 15-year period;
- ☞ Repairs and upgrades to the Slipp House were partially completed before the decision to move the house to the site was made. Renovation and restoration began and is expected to take two to three years depending on funding.

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

Status: Kings Landing received \$700,000 from the Province to undertake the ASACRP, repairs to the Slipp House and underground electrical upgrades. Research was undertaken regarding potential grants in early 2021, with the goal being to leverage future funds from government and private donors.

EMPLOYEE RETENTION/ATTRACTION

- ☞ Hiring
 - ☞ CEO position was filled with a qualified museum professional in January 2020;
 - ☞ Supervisor of Wardrobe hired in June 2020;
 - ☞ Seasonal grant funded students.
- ☞ Review & Audit
 - ☞ Reviewed staffing requirements;
 - ☞ Restructured in 2020-2021 to align with corporate goals;
- ☞ Professional development
 - ☞ Consolidated professional development budgets to ensure equity in access to professional development;
 - ☞ Took advantage of GNB training modules.

Corporate Strategy Performance Target: workforce turnover per year 8%

Status: In 2020-2021 Kings Landing did not bring back its entire workforce for the season to

offset lost revenue as a result of the pandemic and went through a period of restructuring. As a result, the turnover of staff was at 13%. It is important to note that had the financial restrictions created by the pandemic had not been present, the employee turnover rate would have been 5%.

GREATER INTERPRETIVE MANDATE

Kings Landing offered several new, expanded, and enhanced approaches to interpretation:

Programming

- 🌀 Day camp programs for children and their families were developed to offset not being able to operate Slipp House programs;
- 🌀 All staff now presenting as first-person interpreters, allowing for improvisation based on historical characters and personages. Visitors participated on a new level, interacting with Villagers from the past, telling stories, singing, and sampling food cooked in the houses or outside in the smokehouse or over a fire.
- 🌀 Music played an important part in the Village. Staff prepared musical presentations and recitations, started a choir for Sundays, and could be seen regularly performing along the roadways, on porches and in the garden at the King's Head Inn. Visiting performers played on the summer stage, and at the Inn in the garden;
- 🌀 Christmas in the Valley returned after a 20 plus year absence, and a new attraction, Christmas by the Hearth, was introduced as a replacement to the Inspire NB long table dinners. Guests for Christmas by the Hearth dined, in period costume, and were served by the "family" of the house in the Ingraham, Perley, Morehouse and Hagerman houses, and transported by horse and wagon along candlelit roads.

Collections and research

- 🌀 Kings Landing made a successful application to the Young Canada Works Building Careers in Heritage for an intern to digitize aspects of the collection. The intern completely documented, researched, and photographed our firearm and camera collections and also developed a digitization policy and firearms policy.
- 🌀 Kings Landing worked with the Provincial Collections Manager to commence a moth remediation program in the Kings Landing storage area of the New Brunswick Collections Centre.
- 🌀 A summer intern from the New Brunswick Museum also researched, documented, and photographed the sofa collection as part of a larger provincial project.
- 🌀 A comprehensive report on the orchards and fruits grown at Kings Landing was completed with the assistance of David Corey and Daryl Hunter. The report not only identifies the trees and fruits, but also their status, location, and recommendations for maintenance.

Exhibits

- 🌀 Exhibition areas were downsized, but not eliminated in order to accommodate opportunities to display historical objects that did not fall within the representative

era of Kings Landing.

🦋 Site exhibitions:

- 🦋 *Highly Contagious*: a pop-up banner exhibit based on the Spanish Flu pandemic;
- 🦋 *Keeping it Clean*: an exhibit focussed on the practices surrounding laundry tools and practices;
- 🦋 *Dressing Kings Landing*: an exhibit focused on fashion in the 19th Century;
- 🦋 Seasonal and thematic exhibits to correspond with special events and programs;
- 🦋 New exhibit panels and display in the Indigenous gallery;

🦋 Travelling exhibitions:

- 🦋 *Pressed in Glass*: Resurgo Place, Moncton, NB
- 🦋 *Edward Bannister*: St. Andrews, NB
- 🦋 *The Scottish*: New Brunswick Scottish-Cultural Association
- 🦋 *The New Brunswick Irish Heritage*: Irish Canadian Cultural Association of New Brunswick
- 🦋 *Early Chinese Settlers of New Brunswick*: Chinese Cultural Association of New Brunswick
- 🦋 *Loyalist, Indigenous, Planters*: Founder Museum, Grand Danse, NB
- 🦋 *Welsh settlers, Caleb Evans*: Central New Brunswick Welsh Society
- 🦋 *Jewish People of New Brunswick*: Saint John Jewish Historical Museum
- 🦋 *Keeping it Clean*: Government House

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

Update: Kings Landing had a visitor approval rating of 92% in 2020. Some comments include:

“Wonderful day discovering a gem in New Brunswick. Gorgeous scenery and the village so interesting with friendly villagers everywhere. A great experience and we can’t wait to go back!” – **Facebook recommendation**

“My S.O. & I went there when it opened and spent a good 4 hours and didn’t get to view everything or hear every history story to be told. We had amazing visit, it was our first time coming to this place and we both loved the adventure, storytelling, and the history behind Kings Landing. They have plenty of history to be told and make sure if you go that you go has early has possible to give you enough time to visit the whole place.” – **Google review**

“We were here 30 years ago. Lots of changes. It’s been a lovely experience, and everyone has been super friendly, and my husband loves to talk so he was in his glory.” – **iPad survey comment**

“I adore this place just as much now as when I was a kid! The reenactors treat you as if you’re part of the village yourself, come by for a visit. It feels like you’ve traveled back in time, yet you feel right at home. There is so much to see and discover, it truly is a magical place! I also appreciated that they acknowledge their presence on the traditional territory of the Wolastoq and respectfully have their artifacts on display in the visitor center.” – **Google review**

“It was our first visit, and we loved it! We learned a lot about that time period and the staff were nice

and had great characters! Will be returning!" – Google review

STUDENT EDUCATION

The pandemic offered an opportunity to review existing programs and offer programs online, in class and on site. While students could not physically come to the site, teachers (some from as far away as Maine) were encouraged to use online resources for programs.

🌀 Online programs:

- 🌀 Lesson 1: Pin Prick Drawing Lesson
- 🌀 Lesson 2: The Complicated History of Pudding
- 🌀 Lesson 3: A Lesson on Becoming the Family Historian
- 🌀 Lesson 4: A History Lesson on Draft Horses
- 🌀 Lesson 5: Black Loyalist History at Kings Landing
- 🌀 Lesson 6: Learn to Make Candy on the Snow

🌀 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 is 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 first two years of the strategy exceeded the previous year's annual visitation by 391%.

INCREMENTAL REVENUE CONTRIBUTION

Despite the pandemic, Kings Landing continued with programming designed to create new revenue streams including:

- 🌀 Workshops
- 🌀 Christmas by the Hearth
- 🌀 Day camps for children and families
- 🌀 Evening events
- 🌀 Exhibit rental
- 🌀 New retail location: Grant Store

🌀 Food & Beverage Services

- 🌀 The King's Head Inn garden was pressed into service during the pandemic, when indoor dining was not permitted. Umbrellas, picnic tables and a takeout window were installed so visitors could continue to offer the delicious fare of the King's Head Inn Restaurant. Special dining events returned when indoor dining was permitted, at half capacity, and continued to attract visitors for a uniquely Kings Landing experience. Wedding reservations and other special private event dinners were on the rise at the end of the season as the Inn began focusing on other areas for revenue generation.

- ☞ The Axe & Plough Café was repositioned as a bakery with Mary Brown's bread, cookies, and cinnamon rolls in addition to other grab and go food and beverages. Locals dropped in to purchase a coffee and bakery specialty and bread sales increased.

☞ Retail & The Kings Landing Collection

- ☞ The Peddlers Market and reopening of the Grant Store as a retail site saw the addition of more unique products, made by local artisans, and our creative staff. 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 5% in 2020-2021. The King's Head Inn, a source of self-generated revenue was unable to operate at full capacity, with the Pub closed and dining areas reduced to 50% capacity. Group tour and visitation also affected retail sales, in addition to admissions.

GUEST VISITATION GROWTH

Kings Landing opened, as scheduled in June, under the mandates and protocols established by the COVID-19 operational plan, with 270 season passes being sold, and a total of 18,030 guests attending during the 47th season.

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

Update: Kings Landing experienced a drop of 55% in guest visitation and 94% decline in group and motorcoach tours due to the pandemic and subsequent cancellation of the majority of group tour activity. Several events were also cancelled: Maple, the First Taste of Spring; Christmas in the Valley weekend one; Christmas by the Hearth weekend one; numerous King's Head Inn Christmas Dinners.



BOARD OF DIRECTORS

APRIL 2020-MARCH 2021

Al Walker – Chair

Helen Jean Newman – Vice Chair

Bradley Cross

Eldon Toner

George MacDonald

Ian G. Stead

Juan Estepa

Leah Grandy

Mary Ellen Vaughn

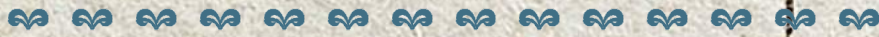
Susan Knight

Mary E. Baruth, CEO (Ex-officio)

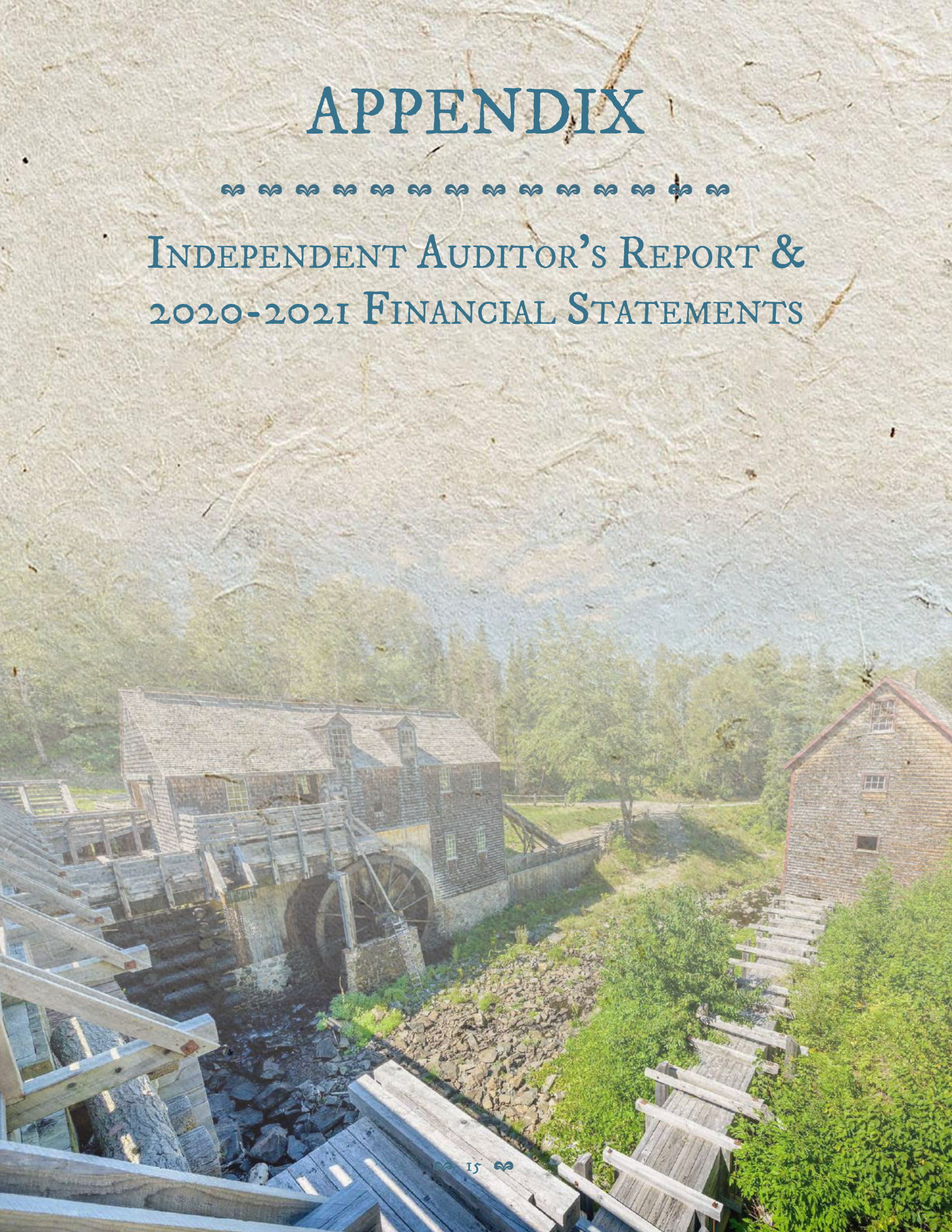




APPENDIX



INDEPENDENT AUDITOR'S REPORT & 2020-2021 FINANCIAL STATEMENTS



KINGS LANDING CORPORATION
Financial Statements
Year Ended March 31, 2021

KINGS LANDING CORPORATION
Index to Financial Statements
Year Ended March 31, 2021

	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	7-13

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, 2021, 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, 2021, 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
September 24, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

Kings Landing Corporation
Statement of Financial Position
As at 31 March



FINANCIAL ASSETS	2021	2020
Cash and cash equivalents	\$ 935,394	\$ 1,053,584
Accounts receivable	101,100	23,040
	<u>1,036,494</u>	<u>1,076,624</u>
 LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	355,132	308,647
Working capital advance payable	200,000	200,000
Deferred revenue (Note 2)	6,816	6,615
	<u>561,948</u>	<u>515,262</u>
NET FINANCIAL ASSETS	<u>474,546</u>	<u>561,362</u>
 NON-FINANCIAL ASSETS		
Prepaid expenses	19,242	9,092
Inventories (Note 5)	79,469	73,515
Kings Landing Collection (Note 2)	1	1
Tangible capital assets (Note 7)	6,501,425	6,416,588
	<u>6,600,137</u>	<u>6,499,196</u>
ACCUMULATED SURPLUS	<u>\$ 7,074,683</u>	<u>\$ 7,060,558</u>

Contingent liabilities – Note 10

Significant event – Note 13

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

Approved by the Board

 Chairperson Allison Walker
 Director Helen Jean Newman

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

	Budget 2021 (Note 9)	2021	2020
REVENUE			
Admissions	\$ 390,000	\$ 138,690	\$ 388,377
Gift store	140,000	70,602	136,252
Food services	615,000	162,607	587,278
Interpretation & education	80,000	4,210	77,255
Other Operating Revenue (Note 11)	60,000	133,517	95,342
	<u>1,285,000</u>	<u>509,626</u>	<u>1,284,504</u>
GRANTS			
Provincial – Operating	2,826,300	2,849,000	2,848,800
Provincial – Other (Note 4)	800,000	750,000	250,000
Employment Programs	38,000	52,595	29,647
	<u>3,664,300</u>	<u>3,651,595</u>	<u>3,128,447</u>
	<u>4,949,300</u>	<u>4,161,221</u>	<u>4,412,951</u>
EXPENSES			
Interpretation & education	1,617,869	1,156,293	1,470,011
Gift store	127,871	110,605	158,113
Maintenance	2,001,216	1,065,825	801,237
Security	275,013	220,923	316,227
Wardrobe	160,102	107,781	172,912
Collections management	87,423	78,375	76,902
Admissions	118,613	67,018	125,374
Public relations & marketing	111,050	122,359	99,161
Finance & administration	445,753	487,049	414,413
Food services	545,000	340,471	572,291
Amortization of tangible capital assets	-	390,397	402,442
	<u>5,489,910</u>	<u>4,147,096</u>	<u>4,609,083</u>
ANNUAL (DEFICIT) SURPLUS	<u>(540,610)</u>	<u>14,125</u>	<u>(196,133)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>7,060,558</u>	<u>7,256,690</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 7,074,683</u>	<u>\$ 7,060,558</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 2021 (Note 9)	2021	2020
Net Financial Assets at Beginning of Year	\$ 561,362	\$ 561,362	\$ 492,861
Annual (deficit) surplus	(540,607)	14,125	(196,132)
Acquisition of tangible capital assets		(475,234)	(140,519)
Amortization of tangible capital assets		390,397	402,442
Net change in prepaid expenses		(10,150)	7,432
Net change in inventory		(5,954)	(4,722)
(Decrease) Increase in Net Financial Assets	<u>(540,607)</u>	<u>(86,816)</u>	<u>68,501</u>
Net Financial Assets at End of Year	<u>\$ 20,755</u>	<u>\$ 474,546</u>	<u>\$ 561,362</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):	2021	2020
Operating Activities		
Annual (deficit) surplus	\$ 14,125	\$ (196,132)
Add items not involving cash:		
Amortization of tangible capital assets	390,397	402,442
(Decrease) Increase of non-cash components of working capital (Note 12)	(47,478)	62,907
	<u>357,044</u>	<u>269,217</u>
Capital Activities		
Acquisition of tangible capital assets	(475,234)	(140,519)
(DECREASE) INCREASE IN CASH	<u>(118,190)</u>	<u>128,698</u>
Cash and cash equivalents, beginning of year	1,053,584	924,886
Cash and cash equivalents, end of year	<u>\$ 935,394</u>	<u>\$ 1,053,584</u>

Cash and cash equivalents are represented by:

	2021	2020
Cash	\$ 5,069	\$ 109,592
Short term Investments	<u>930,325</u>	<u>943,992</u>
	<u>\$ 935,394</u>	<u>\$ 1,053,584</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 \$3,682 (2020 – \$9,757) 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, 2021. 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 \$126,712 (2020 – \$160,650).

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 \$37,603 (2020 – \$31,276).

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 \$82,927 (2020 – \$62,253).

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 \$21,860 (2020 – \$30,314).

Note 2 Continued

Liability for injured workersThe 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.

Note 2 Continued

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

	2021	2020
Employee benefits	\$227,828	\$165,029
Other accounts payable and accrued liabilities	127,304	143,618
	<u>\$355,132</u>	<u>\$308,647</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 \$615,334 (2020 – \$196,331). 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 \$2,849,000 (2020 – \$2,848,800), a capital grant of \$750,000 (2020 – \$250,000), and employment program funding of \$15,708 (2020 – \$15,432). 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 (2020 – \$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.

Kings Landing Corporation
Notes to the Financial Statements
31 March 2021

5. Inventories

	2021	2020
Gift store	\$ 43,917	\$ 32,239
Fabrics	7,507	7,679
Food and liquor	23,202	27,770
Other	8,461	9,444
Subtotal	<u>83,087</u>	<u>77,133</u>
Less: Provision for obsolescence	<u>(3,618)</u>	<u>(3,618)</u>
	<u>\$ 79,469</u>	<u>\$ 73,515</u>

6. Expenses by object

	2021	2020
Amortization	\$ 390,397	\$ 402,442
Salaries, wages and benefits	2,663,344	3,207,101
Cost of goods sold	102,098	226,580
Other expenses	991,257	772,960
	<u>\$ 4,147,096</u>	<u>\$ 4,609,083</u>

7. Tangible capital assets

Estimated Useful Life/Depreciation %	Land	Buildings	Site Services	Mobile Equipment	Computer Hardware/Software	Office Furniture	Bridge	Work in Process Buildings	2021 Total	2020 Total
		5% / 30 years	20 - 30 years	5% - 20%	20%	20%	10 years			
Cost										
Opening Cost	\$1	\$8,974,308	\$216,428	\$508,892	\$213,019	\$31,859	\$636,752	-	\$10,581,058	\$10,440,539
Transferred from WIP	-	\$ 2,057	\$ 8,500	\$ 12,698	\$ 13,416	\$ 530	-	\$438,033	\$ 475,234	\$ 140,519
Additions net of disposal	-	\$ 2,057	\$ 8,500	\$ 12,698	\$ 13,416	\$ 530	-	\$438,033	\$ 475,234	\$ 140,519
Disposals	-	-	-	-	-	-	-	-	-	-
Closing Cost	\$1	\$8,976,365	\$224,928	\$521,590	\$226,435	\$32,189	\$636,752	\$438,033	\$11,056,292	\$10,581,058
Accumulated Amortization										
Opening Accumulated Amortization	-	\$3,366,835	\$ 79,971	\$331,333	\$133,984	\$29,484	\$222,863	-	\$4,164,470	\$3,762,028
Disposal	-	-	-	-	-	-	-	-	-	-
Amortization Expense	-	\$ 286,085	\$ 7,665	\$ 15,336	\$ 17,148	\$ 488	\$ 63,675	-	\$ 390,397	\$ 402,442
Closing Accumulated Amortization	-	\$3,652,920	\$ 87,636	\$346,669	\$151,132	\$29,972	\$286,538	-	\$4,554,867	\$4,164,470
Net Book Value	\$1	\$5,323,445	\$137,292	\$174,921	\$ 75,303	\$ 2,217	\$350,214	\$438,033	\$6,501,425	\$6,416,588

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, 2021 is equal to the accounts receivable balance of \$101,100 (2020 - \$23,040). 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

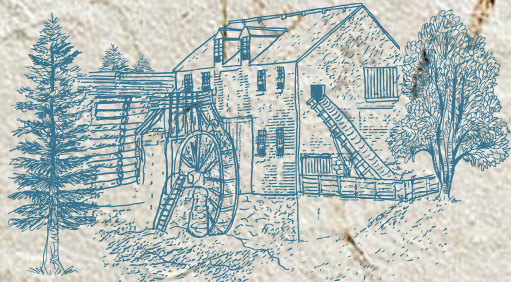
	2021	2020
Donations	\$ 414	\$ -
General and interest	132,722	93,684
Rentals	381	1,658
	<u>\$133,517</u>	<u>\$ 95,342</u>

12. Non-cash components of working capital

	2021	2020
Change in accounts receivable	\$ (78,060)	\$ (2,755)
Change in prepaid expenses	(10,150)	7,432
Change in inventories	(5,954)	(4,722)
Change in accounts payable and accrued liabilities	46,485	100,981
Change in deferred revenue	201	(38,029)
	<u>\$(47,478)</u>	<u>\$ 62,907</u>

13. Significant Event

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Corporation in future periods.



KINGS LANDING

