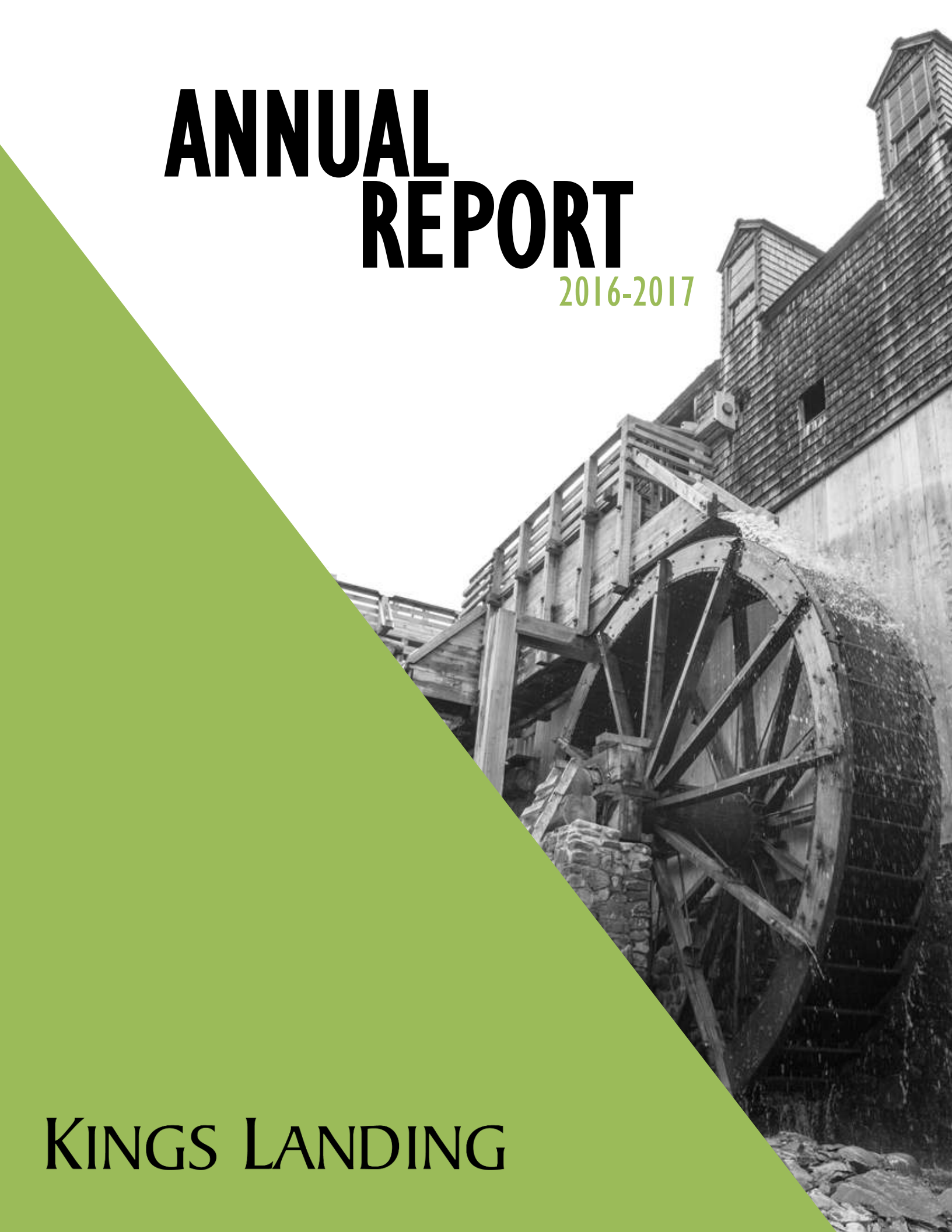


ANNUAL REPORT

2016-2017

KINGS LANDING



Kings Landing Corporation

**Annual Report
2016-2017**

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Government of New Brunswick

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TRANSMITTAL LETTERS

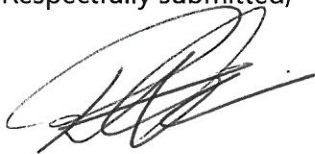
From the Minister to the Lieutenant-Governor

The Honourable Jocelyne Roy Vienneau
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, 2016, to March 31, 2017.

Respectfully submitted,



Honourable Robert Gauvin
Minister of Tourism, Heritage and Culture

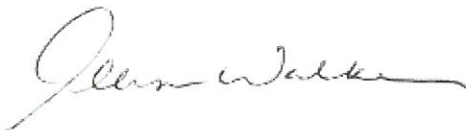
From the Chair of the Board of Directors to the Minister

Honourable Robert Gauvin
Minister of Tourism, Heritage, and Culture

Sir:

I am pleased to be able to present the annual report describing operations of the Kings Landing Corporation for the fiscal year April 1, 2016, to March 31, 2017.

Respectfully submitted,



Al Walker
Current Chair, Board of Directors
Kings Landing Corporation

Table of Contents

Corporate Overview.....	1
Message from the Board of Directors.....	2
Message from the Executive Director.....	3
Kings Landing Corporation Act.....	4
Kings Landing Corporation's Mission.....	4
Corporate Objectives.....	5
Corporate Organizational Structure.....	6
Members of the Board of Directors.....	7
Executive Summary.....	8
Visitor Experience.....	8
The Village.....	9
The Exhibits.....	10
Education Programs.....	12
Food Services.....	12
Retail.....	13
Marketing.....	13
Business Development.....	13
Atlantic Canada Showcase.....	14
Pass to the Past.....	14
Operations.....	15
Sawmill & Gristmill Re-Opening.....	15

Maintenance.....	16
Wardrobe.....	16
Collections Management.....	16
Administration.....	17
Thank You.....	17
Appendix: Management Responsibilities Letter.....	18
Appendix: Independent Auditor's Report.....	19
Appendix: 2016-2017 Financial Statements.....	20

Corporate Overview

Created over a period from 1967 to 1974, Kings Landing Corporation operates Kings Landing, formerly known as Kings Landing Historical Settlement, a world-class living history museum depicting and interpreting life in rural New Brunswick from the 18th century to the 20th century. For 44 years, over 3.5 million guests have come to experience history brought to life within a 300-acre site and through a priceless collection of over 77,000 artefacts.

Today Kings Landing primarily operates as a seasonal museum and attraction from June to October. Guests visiting are treated to two distinct experiences as the site is divided into two areas: the Exhibit Galleries and the Village. Opened in 2015, the Exhibit Galleries, or western part of the museum, features contemporary programming with over 40 individual exhibits, live theatre, and workshops. This allows guests to immerse themselves in historical context before arriving in the Village. In the Village, or Kings Landing, guests walk back through time to meet costumed characters interpreting real stories of New Brunswick's past. Over 60 costumed, 1st person characters invite guests to roll up their sleeves and take part in the day to day living of the 19th century. Programming at Kings Landing ensures that no two days are the same and there's always something for everyone.

Kings Landing also operates the famous King's Head Inn Restaurant featuring an authentic 19th-century English pub where guests can have their choice of libations or fare from days gone by. The King's Head Inn provides daily service during the regular season and a culinary Christmas experience from Mid-November right up to Dec 23. Over 3,500 guests take advantage of this long-standing tradition each year, booking months in advance to ensure a seat.

Kings Landing Corporation is a museum, and as such manages a collection of over 77,000 artefacts which are used for study and exhibits and are carefully preserved in various collection centres. This provincial collection is always evolving as new acquisitions are made to further learn about the province's history. As a leader in the cultural and heritage sector, Kings Landing provides opportunities for research and loans to other institutions year-round.

Operating an institution like this requires substantial resources and support. A dedicated team of carpenters, seamstresses, security personnel, curators, researchers, entrepreneurs, artisans, musicians, interpreters and service staff all have one mission in mind: to make history awesome for every guest who visits Kings Landing.

A MESSAGE FROM THE BOARD CHAIR

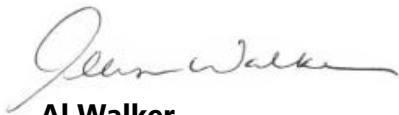
On behalf of the Board of Directors of Kings Landing Corporation, it is my pleasure to present the Annual Report for the 2016-2017 season. This year was another successful year for Kings Landing, reflected in the growth in visitation.

Thank-you to management, staff and the many volunteers who continue to provide an awesome historical experience for our guests.

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

To the outgoing member of the Board, Christopher Hand, I wish him the best in his future endeavours. I am also pleased to welcome two new members: Dr. Lori Leach and Meaghan (Molly) Demma.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Al Walker', with a stylized, flowing script.

Al Walker

Current Chair, Board of Directors
Kings Landing Corporation

A MESSAGE FROM THE EXECUTIVE DIRECTOR

On behalf of the management and staff of Kings Landing Corporation, I am pleased to present our 2016-2017 Annual Report. This report summarizes Kings Landing Corporation's financial and operational activity over the past year.

Over the course of this past year, guest visitation has continued to grow in favourable response to the programming changes brought forward by our team of visitor experience professionals. The tourism season saw an increase of 7.4% increase in guests over the preceding year and a net increase of 44% since 2012. This demonstrates that Kings Landing Corporation is on the right trajectory of balancing new, relevant and engaging programming with the experience guests have come to expect at Kings Landing.

A highlight for this year was the re-introduction of the Kings Landing Dam and Sawmill complex after being closed to the public for the last 5 years. This sizeable project was the culmination of several years of planning and construction and I would like to thank everyone involved in making this project a success.

Over the course of the past year we have partnered with many different organizations to bring greater depth to our exhibits and programming for our guests. I would like to thank our partners for their share in our commitment to quality interpretation of New Brunswick's heritage.

I would like to take this opportunity to thank all those involved in making this year a success, especially all Kings Landing employees whose passion for history, interpretation and creating a memorable, positive experience is inspiring.

Best Regards,



Kevin Cormier

Executive Director
Kings Landing Corporation

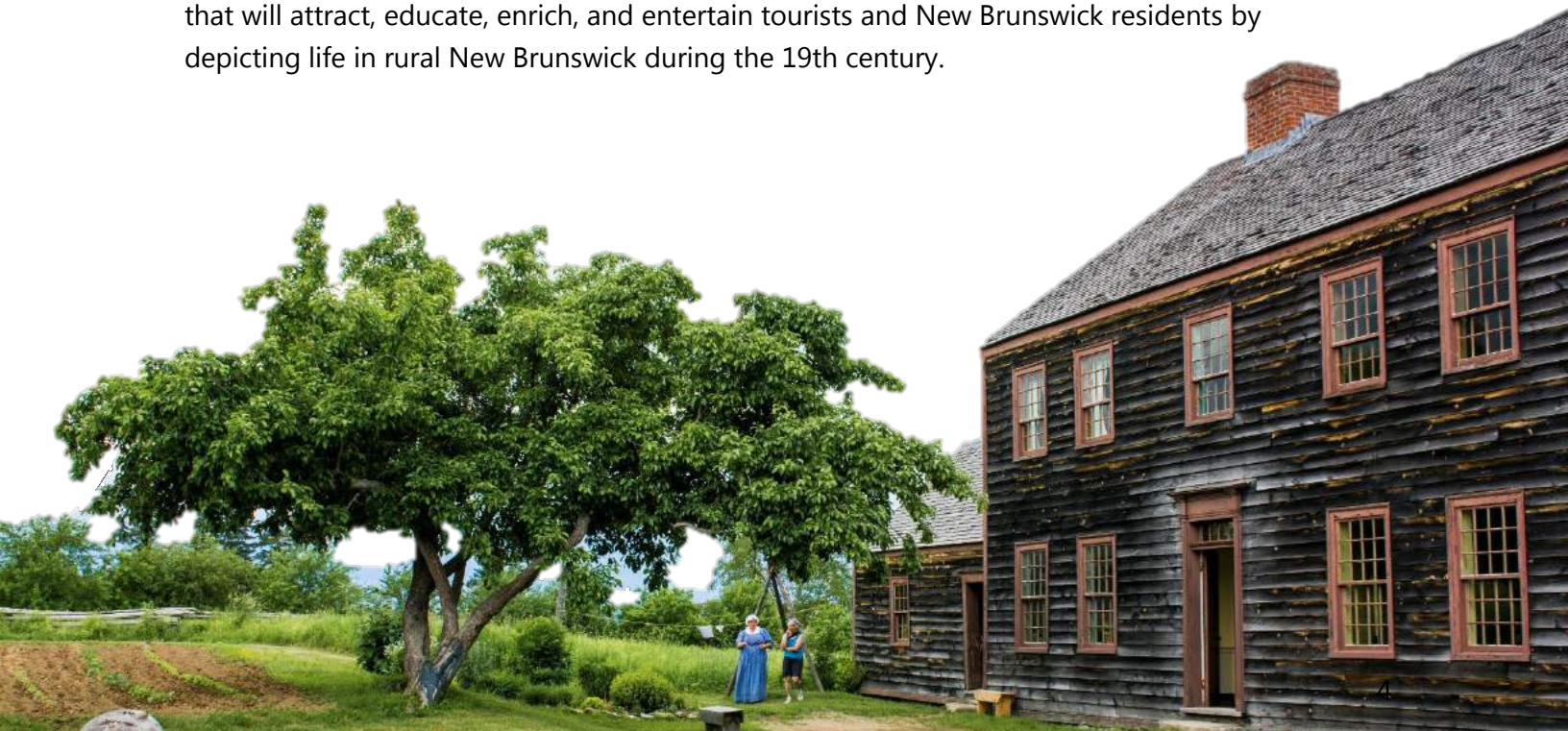
Kings Landing Corporation Act

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

- to collect, preserve and exhibit buildings and artifacts which are part of the Province's historical resources;
- to create, maintain and operate an historical settlement in the Mactaquac Headpond Area;
- to stimulate the interest of the public in matters depicted in the historical settlement and in historic sites within the Mactaquac Headpond Area;
- to engage in and promote the production and sale of articles and materials related to the historical settlement; and,
- to carry on the business of operating a restaurant, dining-room, lounge or similar establishment or any combination thereof.

Kings Landing Corporation's Mission

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



Corporate Objectives

Kings Landing Corporation has adopted these corporate commitments over the past several years and they continue to be the foundational and guiding elements of strategy and plan development. They inform the corporation's objectives and deliverables and they permeate throughout each employee's workplan.

1

Preserve and manage our physical collection defined as buildings (both historic and reconstructed), artifacts, plants/trees and animals.

2

Authentically interpret the heritage (defined as work habits, craft techniques, life stories and historic events) within the context of our Mission.

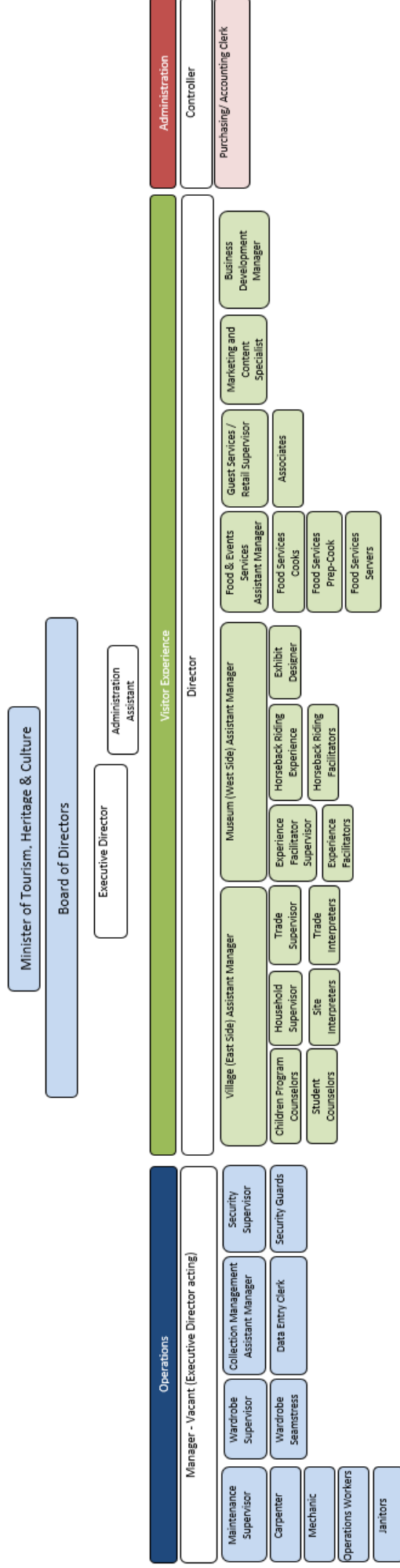
3

Provide an unforgettable positive experience for visitors, employees and volunteers that educates, and enriches.

4

Be responsible stewards in order to ensure organizational sustainability by living within our financial means, our resource means, the appropriate acts, governmental policies and agreements within which Kings Landing resides.

Corporate Organizational Structure



Members of the Board of Directors

Mark McCauley, Chair

Andrew Rouse, Vice Chair

Al Walker

Juan Esteap

Christopher Hand (resigned from the Board on March 23, 2017)

Helen Jean Newman

Dr. Marc. Smith

Ian Stead

Dr. Lori Leach (appointment date, December 7, 2016)

Meaghan (Molly) Demma (appointment date, December 7, 2016)

Executive Summary

The 2016-2017 fiscal year saw an increase of 7.4% in guests over the previous year (30,331 vs. 28,250), netting an overall 5-year increase of 44% (30,331 vs. 21,074). This year also saw a 5.8% increase in revenue (\$1,067,931 vs. \$1,009,600) compared to the 2015-2016 fiscal year. The continued growth of visitors means a regional increase in economic activity as more guests visit and stay longer, resulting in a direct benefit to the regional tourism economy.

During the 2016-2017 fiscal year, Kings Landing Corporation completed several exciting projects, partnerships, and experiences that helped achieve corporate objectives. These included the rebuilding of the Sawmill and Gristmill dam after a 5-year closure, hosting the Atlantic Canada Showcase, launching a workshop series, partnering with Sleepy Star Ranch to offer horse and pony rides, launching over 40 new exhibits including a gallery dedicated to the New Brunswick lumber camp experience, working with a number of 3rd party partners to offer new experiences – including an onsite apiary, revamping our Pass to the Past promotion in partnership with New Brunswick Public Libraries, and launching a new website. Kings Landing Corporation continued to offer the Visiting Cousin and Family Kin summer camp program and school tours. The King's Head Inn once again hosted successful Thanksgiving- and Christmas- themed dinners and the 34th annual Sugar Bush weekends took place in March.





Visitor Experience

The Visitor Experience department includes the Village, the Exhibits, education programs, retail and administration, marketing, and business development.



The Village

In the Village, located on the east side of the museum grounds, history is brought to life through a community full of animals, historic homes, and characters interpreting real stories from New Brunswick's past. Dressed in period clothing, villagers interpret daily life and historic events from the 19th century.



There is always something new to learn in the Village. Each day, the programming is unique, ensuring that a wide array of history is interpreted and that each day offers a unique learning experience for guests.

Examples of scheduled programming include hands-on activities such as baking, learning to spin wool, and learning how to use herbs to make traditional remedies. There are also many interactive vignettes put on by the villagers including an interpretation of a Temperance rally, debates on Confederation, and military re-enactments.



There is also much to see that isn't listed in the daily activities, including watching iron transform over the flame, learning about 19th-century printing, seeing the mills transform logs and grains, watching 19th-century farm equipment in action, and even bartering at the Grant Store.

Typical to farm life, there are plenty of gardens and animals throughout the Village. The gardening team takes care to cultivate and save heritage flora and fauna. There are around 30 species of heritage apples grown at Kings Landing. The Village is also home to many animals, including pigs, sheep, chickens, horses, and oxen. These are always a guest favourite.



The Exhibits

The guest experience at Kings Landing developed this season to include galleries and exhibits, workshops and new activities on the west side of the site. Response to these changes and additions has been mainly positive because it offers guests a new experience, showcases some rarely displayed artifacts, and tells more stories that have never been told at Kings Landing.

This season, three houses on the west side became temporary **galleries**. The Hagerman House Gallery featured exhibits relating to the theme "An Age of Progress". This included a popular photography exhibit which allowed guests to don 19th-century clothing and pose for a picture. The Jones House Gallery included exhibits pertaining to "Our People and Stories". This included an exhibit on Laura Secord and the Strange Case of Henry Moon. The Joslin Farm Gallery told the story of "Down on the Farm" with exhibits about women's work, the role of children and horsepower.

In MacBeath Hall, the "Lumbering Through the Ages" exhibit was guest curated by one of our partners, the Provincial Archives of New Brunswick. Dr. Brad Cross from St. Thomas University guest curated the Gordon House Gallery exhibit.



A Horseback Riding Facilitator leads a guest through the Joslin Farm pasture.

The **Horse and Pony Rides** offered a new, exciting experience at Kings Landing. From July 1st to Labour Day, guests rode a horse or a pony guided by a staff member around the Joslin Farm pasture with a scenic view of the Saint John River. This was a very popular activity which cost \$10 for a horse ride and \$5 for a pony ride. We are very grateful to Sleepy Star Ranch, a local show barn, who helped us get this activity started.

Another welcome addition to the Kings Landing experience this season was the **Workshop Program**. Set up in the Visitors Reception Centre, guests could stop in to participate for free and learn various 19th-century skills to reflect some of the handwork and crafts done by the villagers. These included rug braiding, quilting and knitting. Over 1,000 visitors participated in the workshops. There were also a few extended workshops led by third party instructors, one of the popular ones being blacksmithing.



Two guests enjoy their chance to don 19th-century clothing in the photography exhibit in the Hagerman Gallery.

The **Children's Play Park** was a welcome addition to the site. Located just outside of the Visitors Reception Centre, children can play in the sandbox or ride a 19th-century hobby horse while the adults relax in the hammock or on the benches. The park will expand with the addition of other play structures and a kid-sized Lincoln log cabin.

Education Programs

Kings Landing is proud to offer various hands-on programming for all ages from public school to university and college. These programs allow children and young adults the chance to see what life would have been like for someone their age during the 19th century.

These include guided school tours, the Visiting Cousins and Family Kin programs and partnerships with universities and colleges. Here are a few highlights from the 2016-2017 season.

School Tours

The school tours program allows children of public school age the opportunity to learn about history through guided or self guided tours and hands-on activities. The programs and activities teach students about 19th-century farm life, the role of children, 19th-century family dynamics, where food comes from, and more. There were 38 school tours this year with 1,569 students.

Visiting Cousins and Family Kin

Our Visiting Cousins and Family Kin programs allow children ages 9 to 15 to immerse themselves in 19th-century life. They stay overnight from Monday to Friday, dress in period costume and join the stories of the different families in the Village. They complete household chores, learn to sew, work in the blacksmith shop and attend school. The camps were all full each of the nine weeks they occurred this summer, making a total of 208 in attendance.

Renaissance College Orientation

The University of New Brunswick's Renaissance College held their orientation for the second time this year at Kings Landing. The new students camped out by the Slipp House, tried their hand at blacksmithing and carpentry, listened to curatorial talks, and enjoyed delicious meals at the King's Head Inn. They also volunteered their time by helping paint some fences on site.



Visiting Cousins and villagers enjoying a lovely day at Kings Landing.



Incoming students to UNB's Renaissance College hop on one of the horse-drawn wagons.

Food Services

We are proud to continue offering dining services for guests on site. The **King's Head Inn Restaurant** offers a selection of culinary treats from the past as well as modern menu items. There is also a licenced pub with a selection of ale, wine and spirits.

This year, we saw an increase of 6% in the average of revenue per guest in food services, as compared to 2015. There was also an overall increase in revenue of 13.8% over last year.



The **Barony General Store** was converted from a retail operation to a food services operation this year and opened on June 24th to once again offer guests cool refreshing drinks and ice cream in the village.

Our **Christmas-themed dinners** were successful again this year. These dinners offer the chance for guests to enjoy 19th-century Christmas celebrations in the beautifully decorated King's Head Inn. Guests enjoyed their choice of a roast turkey, a prime rib roast of beef or a Yorkshire pudding with roast goose dinner with a sampling of apple crumble pie, mincemeat pie and gingerbread with whipped topping for dessert.

We served 3,542 guests during 29 dinners from the end of November until December 23.



Retail and Admissions

The 2016-2017 fiscal year saw an increase of 7.4% in guests over the previous year, netting an overall 5-year increase of 44%. The continued growth of visitors means a regional increase in economic activity as more guests visit and stay longer resulting in a direct benefit to the regional tourism economy.

In 2016, 30,331 guests visited Kings Landing and admission sales totaled \$351,512, an increase of 6.6% over 2015.

Retail outperformed its revenue target by 24.8%, but fell 17% from 2015. It is part of Kings Landing's 2017-2018 strategy to revisit retail offerings and costs. Additionally, Food Services and Retail are migrating to a common POS system that includes front and back office functionality to better manage inventory and track goods.

Marketing

In 2016, Kings Landing Corporation hired a Content & Marketing Specialist to develop a Marketing & Business Development strategy with the goal of increasing visitation from 15%-20%, increasing Admission sales by 15% and increasing audience engagement by 50%. Kings Landing's social media accounts were updated and a website was launched in October 2016.

Audience engagement saw a large increase on Kings Landing's Facebook page, gaining 2,000 followers and over 17,700 visitors on the website between October 9, 2016 and March 31, 2017. With the website operating throughout the entire season next year, there will be a better idea as to whether it influences visitation and admission sales.

Business Development

Over the 2016-2017 season, the Business Development Manager increased marketing towards touring companies with the goal of bringing more tour groups to Kings Landing. A total of 26 tours came to Kings Landing this season, compared to 19 in 2015. To bring more tours to Kings Landing, marketing towards the growing Asian tour industry will continue for the 2017-2018 season.

Atlantic Canada Showcase



On October 3, 2016, Kings Landing partnered with Fredericton Tourism to host a feature event as part of the Atlantic Canada Showcase. The Atlantic Canada Showcase is a biennial marketplace designed especially for the motor coach, group, Free and Independent Traveller (F.I.T.), and specialty travel industry. The event includes three days of business

meetings, networking events and educational sessions that will allow international buyers an opportunity to do business with sellers of tourism products and service providers from all four Atlantic provinces.

With the goal of increasing the number of group tours, this industry has been identified as a strategic area of growth for the corporation over the 5 few years.

Over 250 delegates were treated to a feast, music, plenty of merriment and a chance to experience The Village at night - a first for Kings Landing. All staff and volunteers pulled together to create a one-of-a-kind, memorable evening that left a lasting impression on all involved and was the talk of the table for the remainder for the showcase and beyond.

Pass to the Past Promotion

After the success of the pilot partnership in 2015, Kings Landing Corporation and the New Brunswick Public Library Services (NBPSL) decided to run the Pass to the Past promotion for the 2016 season. This year, the project expanded to include all five library regions in New Brunswick. Patrons could visit any NBPSL library to check out a pass using their library card that allowed free admission for one person to Kings Landing from September 1st to 30th.

In total, 2,910 passes were checked out at 54 service points in New Brunswick, 804 of which were checked out to new cards. Nearly 2,000 passes were redeemed at Kings Landing and nearly 60% of the people who checked out a pass from the library used it at the museum.

Operations

The Operations Department includes Maintenance, Wardrobe, Collections Management and Security. Like every season, the people in these departments work tirelessly behind the scenes to ensure Kings Landing runs smoothly and to allow a great visitor experience. Here's a look at some of the projects and updates from the 2016-2017 season.

Sawmill & Gristmill Re-Opening

After more than 5 years of eager anticipation, Kings Landing re-opened one of New Brunswick's most cherished historical exhibits. On July 29th, 2016 following a re-dedication ceremony, Kings Landing's iconic Sawmill and Gristmill re-opened to the general public.

Following torrential rainstorms in 2010, the dam that operates the Sawmill and Gristmill and the bridge that connects them became unstable and, therefore, inaccessible to visitors of the historic site. Workers have worked diligently to restore this iconic landmark. At a cost of \$3.8 Million provided through the Disaster Financial Assistance programme, repairs included a new dam, new bridge connecting the east and west portions of the village and retrofits of both the grist mill and sawmill. The project was managed by the Department of Transportation and Infrastructure over a two-year period.



Maintenance

The repair of the dam and bridge was the primary project for the Maintenance department during the 2016-2017 year. The roof at the Perley House was replaced towards the end of the season.

With advice from the Department of Transportation and Infrastructure, the plan to remediate the asbestos issue in the Lower Warehouse has been deferred to 2017 to minimize additional costs of remediating in the winter.

Wardrobe

The Wardrobe department creates, maintains, alters and develops costumes for all employees who work on site at Kings Landing. They also assist with teaching techniques on how to wear certain costumes and provide materials for period garments and crafts. To prepare for each season, the department makes new costumes, refurbishes current ones, provides fabric portions for museum exhibits and develops more accessories for the Village.

Collections Management

Collections Management looks after the care, maintenance, housing and display of the massive collection of artefacts. In keeping with the Collections Management and Acquisitions Policy (2015), the department only accepted one acquisition. The Ross Smith collection had two significant items to add to the already existing pharmacy collection.

The department is currently migrating its database to a shared one with the New Brunswick Museum (NBM). This will include software and scanners to create a singular database for Kings Landing's collections team, NBM and the Heritage Branch. This will help input the backlog of artefact information and allow easy access to each organization's catalogue of resources and artefacts. This is anticipated to take a full year to categorize Kings Landing's 77,000-piece collection.

Administration

There was a total of 149 employees at Kings Landing this season. This includes all seasonal, full-time and contract positions. During the past year, Payroll transitioned to Service New Brunswick/New Brunswick Internal Services Agency. This involved a lot of organization and training to adjust to the new format. Administration also completed the payback distribution for employees under CUPE 1190 for them to receive missing pay over the last three years.

Thank you

Kings Landing would not be able to operate to the level it does without a great deal of help and support. We would like to take a moment to thank all the third-party partners, guest interpreters, workshop instructors, vendors, construction workers, financial donors, and any other individual or group who contributed in any way to Kings Landing Corporation's 2016-2017 year.

A particularly special thank you must go out to the Kings Landing Foundation. Without the support and funding from the Kings Landing Foundation, it is difficult to image where the Corporation would be. With events like Paint the Past and the Victorian High Tea to Visiting Cousin Bursaries and other fundraising efforts, the Foundation continually shows their generous support. We look forward to our continued collaboration.



March 31, 2017

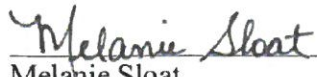
The preparation of the financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of Kings Landing Corporation (the Corporation).

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

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



Kevin Cormier
Executive Director, Kings Landing Corporation



Melanie Sloat
Controller, Kings Landing Corporation



AUDITOR GENERAL
OF NEW BRUNSWICK

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Directors
Kings Landing Corporation

I have audited the accompanying financial statements of Kings Landing Corporation, which comprise the statement of financial position as at March 31, 2017, the statements of operations and change in accumulated surplus, cash flows and changes in net financial assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kings Landing Corporation as at March 31, 2017 and the results of its operations and change in its accumulated surplus, its cash flows and changes in its net financial assets for the year then ended in accordance with Canadian public sector accounting standards.

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

Fredericton, NB
December 19, 2017

P.O. Box 758
6th floor, Suite 650
520 King Street
Fredericton, NB E3B 5B4

FINANCIAL STATEMENTS

KINGS LANDING CORPORATION

3/31/2017


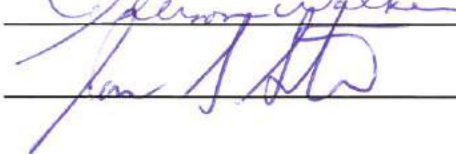
Kings Landing Corporation
Statement of Financial Position
As at 31 March

FINANCIAL ASSETS	2017	2016
Cash and cash equivalents	\$ 937,599	\$ 620,418
Accounts receivable	26,693	41,257
	<u>964,292</u>	<u>661,675</u>
 LIABILITIES		
Accounts payable and accrued liabilities (Note 3)	238,114	184,791
Working capital advance payable (Note 4)	200,000	200,000
Deferred revenue (Note 2)	40,335	54,473
	<u>478,449</u>	<u>439,264</u>
 NET FINANCIAL ASSETS	<u>485,843</u>	<u>222,411</u>
 NON-FINANCIAL ASSETS		
Prepaid expenses	5,808	17,133
Inventories (Note 5)	110,677	117,733
Kings Landing Collection (Note 2)	1	1
Tangible capital assets (Note 7)	6,649,201	3,008,384
	<u>6,765,687</u>	<u>3,143,250</u>
 ACCUMULATED SURPLUS	<u>\$ 7,251,530</u>	<u>\$ 3,365,662</u>

Contingent liabilities – Note 11

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

Approved by the Board

 Chairperson Allison Walker
 Director Ian Stead

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

	Budget 2017 (Note 10)	2017	2016
REVENUE			
Admissions	\$ 350,429	\$ 351,512	\$ 329,640
Gift Store	110,000	137,230	165,598
Food Services	420,000	460,613	404,647
Interpretation & education	80,000	80,604	80,124
Other Operating Revenue (Note 13)	43,000	37,972	29,591
	<u>1,003,429</u>	<u>1,067,931</u>	<u>1,009,600</u>
GRANTS			
Provincial – Operating	2,649,500	2,919,185	2,661,375
Provincial – Other (Note 9)	50,000	160,000	50,000
Transfer of Tangible Capital Assets (Note 15)	-	3,866,224	-
Marketing	-	-	100
Employment Programs	20,000	26,258	23,186
	<u>2,719,500</u>	<u>6,971,667</u>	<u>2,734,661</u>
	<u>3,722,929</u>	<u>8,039,598</u>	<u>3,744,261</u>
EXPENSES			
Interpretation & education	1,269,266	1,308,432	1,059,948
Gift store	62,150	70,629	100,651
Maintenance	715,489	779,194	790,630
Security	219,510	243,730	222,697
Curatorial	253,407	178,891	275,748
Visitor services	304,294	273,713	246,434
Public relations	124,770	131,056	74,686
Administration	378,061	380,331	414,246
Food services	373,500	504,951	373,156
Amortization of tangible capital assets	-	282,803	178,068
	<u>3,700,447</u>	<u>4,153,730</u>	<u>3,736,264</u>
ANNUAL SURPLUS	<u>22,482</u>	<u>3,885,868</u>	<u>7,997</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>3,365,662</u>	<u>3,357,665</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 7,251,530</u>	<u>\$ 3,365,662</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

	2017	2016
Net Financial Assets at beginning of year	\$ 222,411	\$ 91,129
Annual surplus	3,885,868	7,997
Acquisition of tangible capital assets	(3,923,620)	(31,420)
Amortization of tangible capital assets	282,803	178,068
Loss on disposal of tangible capital assets	-	1,123
Net change in prepaid expenses	11,325	(14,111)
Net change in inventory	7,056	(10,375)
Increase in Net Financial Assets	<u>263,432</u>	<u>131,282</u>
Net Financial Assets at End of Year	<u>\$ 485,843</u>	<u>\$ 222,411</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):

	2017	2016
Operating Activities		
Annual surplus	3,885,868	\$ 7,997
Add items not involving cash:		
Amortization of tangible capital assets	282,803	178,068
Loss on disposal of tangible capital assets	-	1,123
Increase (Decrease) of non-cash components of working capital (Note 14)	72,130	(26,876)
	<u>4,240,801</u>	<u>160,312</u>
Capital Activities:		
Acquisitions of tangible capital assets	<u>(3,923,620)</u>	<u>(31,420)</u>
INCREASE IN CASH	<u>317,181</u>	<u>128,892</u>
Cash and cash equivalents, beginning of year	<u>620,418</u>	<u>491,526</u>
Cash and cash equivalents, end of year	<u>\$ 937,599</u>	<u>\$ 620,418</u>

Cash and cash equivalents are represented by

	2017	2016
Cash	\$ 80,948	\$ 101,502
Short term Investments	<u>856,651</u>	<u>518,916</u>
	<u>\$ 937,599</u>	<u>\$ 620,418</u>

The accompanying notes are an integral part of these financial statements

1. Nature of operations

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

2. Summary of significant accounting policies

General

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

Revenue recognition

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

Government transfers are recognized in the Corporation's statements as revenue in the period the events underlying the transfer occurred, as long as the transfer is authorized and eligibility criteria have been met. Government transfers consist of operating grants, capital grants and a transfer of tangible capital assets (dam, sawmill and bridge) from the Province of New Brunswick.

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 nominal fair value (2015-2016 - \$1,980) were received from donors and added to the collection.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank balances, or cheques in excess of funds on deposit, and a GIC with a maturity of less than one year as at March 31, 2017. 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

Effective January 1, 2014, the Public Service Superannuation Plan (PSSA) was converted and replaced by the Public Service Shared Risk Plan (PSSRP). The PSSRP is a shared risk pension plan in accordance with the *New Brunswick Pension Benefits Act*. Certain employees of the Corporation are entitled to receive pension benefits under the PSSRP. This converted plan requires all employees classified as full-time employees to participate in this new plan, which is funded by both the employee and the employer. The Corporation is not responsible for any unfunded liability nor does it have access to any surplus with respect to its employee pensions.

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 Corporation's costs and liability associated with the plan and its recent changes are not included as part of its budget. These costs are recorded by the Province in its financial statements. During the year, the Province paid retirement allowances of \$40,005.96 (2016 - \$3,183.54) on behalf of the Corporation.

Liability for injured workers

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

Measurement uncertainty

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

Tangible capital assets

Acquired or contributed tangible capital assets, except those of a historical nature, are recorded at cost or appraised value where cost is not determinable. Amortization is calculated using declining balance rates of 5% to 20% or straight line over 10 to 30 years, which represent the estimated useful life of the assets. The Corporation has 91.5 acres of land on both sides of the St. John River. Approximately 40 acres are used for site purposes. Because its purpose is to serve as a site for the collection, the land has been recorded at a value of \$1.

Inventory

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

Kings Landing Corporation
Notes to the Financial Statements
31 March 2017

Financial instruments

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

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

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

The Corporation designates its financial instruments as follows:

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

3. Accounts payable and accrued liabilities

	2017	2016
Employee benefits	\$ 68,803	\$ 72,648
Other accounts payable and accrued liabilities	169,311	112,143
	<u>\$ 238,114</u>	<u>\$ 184,791</u>

4. Working capital advance payable

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

5. Inventories

	2017	2016
Gift store	\$ 67,569	\$ 75,332
Fabrics	9,480	10,577
Food and liquor	29,095	28,192
Other	6,175	5,274
Subtotal	<u>112,319</u>	<u>119,375</u>
Less: Provision for obsolescence	<u>(1,642)</u>	<u>(1,642)</u>
	<u>\$ 110,677</u>	<u>\$ 117,733</u>

6. Expenses by object

	2017	2016
Amortization	\$ 282,803	\$ 178,068
Salaries, wages and benefits	2,884,280	2,656,910
Cost of goods sold	203,952	202,001
Other expenses	<u>782,695</u>	<u>699,286</u>
	<u>\$ 4,153,730</u>	<u>\$ 3,736,264</u>

Kings Landing Corporation
Notes to the Financial Statements
31 March 2017

7. Tangible capital assets

Estimated Useful Life/Depreciation %	Land	Buildings	Site Services	Mobile Equipment	Computer Hardware/Software	Office Furniture	Bridge	2017 Total	2016 Total
		5%	20 - 30 years	5% - 20%	20%	20%	10 years		
Cost									
Opening Cost	1	4,970,745	211,567	380,496	98,176	31,659	-	5,692,644	5,692,82
Additions net of disposal	-	3,229,472	-	24,437	32,959	-	636,752	3,923,620	(17
Closing Cost	1	8,200,217	211,567	404,933	131,135	31,659	636,752	9,616,264	5,692,64
Accumulated Amortization									
Opening Accumulated Amortization	-	2,256,855	52,660	270,748	77,649	26,348	-	2,684,260	2,536,66
Disposal	-	-	-	-	-	-	-	-	(30,47
Amortization Expense	-	218,564	7,361	20,272	3,706	1,062	31,838	282,803	178,06
Closing Accumulated Amortization	-	2,475,419	60,021	291,020	81,355	27,410	31,838	2,967,063	2,684,26
Net Book Value	1	5,724,798	151,546	113,913	49,780	4,249	604,914	6,649,201	3,008,38

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:

- Credit risk – Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. Accounts receivable balances are due from the federal government and related parties of the Province and are considered low risk due to excellent collection history. Accounts receivable balances from external organizations are deemed insignificant to the Corporation's financial statements. The Corporation's maximum exposure to credit risk at March 31, 2017 is equal to the accounts receivable balance of \$26,693. Credit risk is not disbursed as the Federal government and related entities of the Province comprise a significant portion of the accounts receivable balance.
- 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.
- 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.
- Currency risk – Currency risk arises on financial instruments denominated in a foreign currency. The Corporation is exposed to currency risk on purchases that are denominated in a currency other than the Corporation's functional currency, primarily in US Dollars (USD). The Corporation's foreign currency transactions are normally settled in the short term, therefore management considers exposure to currency risk to be insignificant.

9. Provincial grant – other

The Province of New Brunswick provided the Corporation with a \$160,000 capital grant in fiscal 2016-2017 (fiscal 2015-2016 - \$50,000). Of the \$160,000 grant, \$50,000 was used for expenditures related to the maintenance and repairs on the Collection (Note 2) and \$110,000 of this capital grant was received for asbestos remediation work.

Kings Landing Corporation
Notes to the Financial Statements
31 March 2017

10. Budget

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

11. Contingent liabilities

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

12. Economic dependence

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

13. Other operating revenue

	2017	2016
Donations	\$ 25	\$ 25
General and interest	36,117	28,790
Rentals	1,830	776
	<u>\$ 37,972</u>	<u>\$ 29,591</u>

14. Non-cash components of working capital

	2017	2016
Decrease (Increase) in accounts receivable	\$ 14,564	\$ 13,750
Decrease (Increase) in prepaid expenses	11,325	(14,111)
Decrease (Increase) in inventories	7,056	(10,375)
Increase (Decrease) in accounts payable and accrued liabilities	53,323	(33,376)
(Decrease) Increase in deferred revenue	(14,138)	17,236
	<u>\$ 72,130</u>	<u>\$ (26,876)</u>

15. Transfer of Tangible Capital Assets

Flooding in December 2010 resulted in extensive damage to a dam, sawmill and bridge on site. The dam has continued to deteriorate and after an assessment was conducted by the Department of Transportation and Infrastructure (DTI), it was determined that the area was no longer safe for interpretation.

DTI began the repair work on the dam, sawmill and bridge in August 2015 and work was completed in July 2016. DTI was responsible for all costs associated with this work and transferred the ownership of the assets to the Corporation once work was completed. The Corporation recognized government transfer revenue and tangible capital assets of \$3,866,224 in accordance with Canadian public sector accounting standards. Tangible capital assets were capitalized and amortized in accordance with the Corporation's Capital Asset Management Policy.