

Heritage Foundation of Newfoundland  
and Labrador

# 2015-2016 ANNUAL REPORT



Business, Tourism, Culture and  
Rural Development

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## MESSAGE FROM THE CHAIR

As Chair of the Board for the Heritage Foundation of Newfoundland and Labrador (HFNL), I am pleased to present its annual report for the fiscal year 2015-16. The annual report is submitted in accordance with the obligation as a category three entity under the *Transparency and Accountability Act*, prepared under the direction of the Board which is accountable for the actual results reported.

In Budget 2016-17, responsibility for the Provincial Historic Commemoration Program (PHCP) was transferred from the Provincial Historic Commemorations Board (PHCB) to the HFNL. As a consequence of this transfer of responsibility, the report of the commemoration activities undertaken in 2015-16 was prepared in accordance with the *Transparency and Accountability Act* under the direction of the Board which is accountable for the actual results reported, and as appended to this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Frank Crews", is positioned above the printed name.

Frank Crews  
Chair

## **OVERVIEW**

### **Background**

The HFNL is composed of a Board of Directors appointed by the Lieutenant-Governor in Council. The Board of Directors is composed of a Chairperson, Vice-Chairperson, government representative and several Board members (full complement shall consist of not less than seven nor more than 12 members as per the Act).

There is a total of four permanent staff (two male/ two female) employed by the HFNL. The permanent staff is composed of an Executive Director, Finance Manager, Provincial Registrar and an Intangible Cultural Heritage (ICH) Development Officer.

### **Financial Information**

The annual budget of the HFNL was approximately \$652,500. A detailed breakdown of the 2015-16 audited financial information is found in the Financial Statements appended to this report.

### **Legislation and Mandate**

Established in 1984 under Part IV, sections 19-29 of the *Historic Resources Act* the HFNL's primary mandate is to preserve the province's built heritage through: the designation of heritage buildings, structures and districts; the provision of grants to assist with the preservation of designated buildings, and the provision of professional advisory services to individuals and organizations; and through this, to stimulate an understanding and appreciation of the architectural, cultural and historical value of the cultural landscape.

Since 2008, the HFNL has also been entrusted with the implementation of the province's ICH to safeguard and sustain the ICH of Newfoundland and Labrador for present and future generations. As such, the mandate statement of the HFNL was revised accordingly, "To support the preservation and recognition of the province's historic places and the safeguarding of its intangible cultural heritage."

In Budget 2016-17, the Government of Newfoundland and Labrador transferred responsibility for the PHCP from the PHCB to the HFNL. The authority for the PHCP resides in section 17.(1) of the *Historic Resources Act*, which states that "The minister may declare a site, event, person or cultural tradition in the province that is considered by the minister to be of historical or cultural significance to be a registered provincial cultural resource. As a consequence of this transfer of responsibility to the HFNL, commemoration activities undertaken in 2015-16 are reported in Appendix 1 of this report.

**Vision**

The Vision of the HFNL is of a province that is aware of its unique heritage value and which promotes and benefits from best practices in preserving its historic places and its intangible cultural heritage.

**Mission**

The mission statement identifies the priority focus areas and represents the key long-term results that the HFNL and the Board will be working toward as they move forward on the Strategic Directions of the Provincial Government to strengthen the cultural sector that preserves our tangible and intangible heritage, celebrates our creativity, and grows our cultural enterprises.

The HFNL is supporting the protection and strengthening of the province's tangible and intangible heritage by encouraging and celebrating the preservation of the architectural heritage of Newfoundland and Labrador through financial assistance and formal recognition and the sponsoring of intangible cultural heritage initiatives, for the greater understanding and appreciation by the province's people and visitors.

By March 31, 2017, HFNL will have conserved, protected and commemorated historic places and safeguarded intangible cultural heritage for the benefit of present and future generations.

**Board of Directors**

At the end of this reporting period, March 31, 2016 the Board consisted of the following members:

Chairperson	Frank Crews, Grand Bank
Vice Chair	Lloyd Kane, Cupids
Members	Joan Anderson, Makkovik, Labrador Joanie Cranston, Norris Point Andrew Shea, Fogo George Courage, St. John's Doug Wells, Harbour Breton Charlie Payne, Woody Point

**Lines of Business**

**Designation, funding and plaquing programs for heritage structures.** Through the Registered Heritage Structure Designation Program, the Registered Heritage Structure Grants Program, and the Registered Heritage Structure Maintenance Granting Program the HFNL designates structures and provides grants for exterior restoration and maintenance on these properties. Through the Registered Heritage Structure Plaquing Program the structure receives provincial heritage recognition.

**Designation and plaquing program for heritage districts.** Historic districts are geographically defined areas which embody a special sense of time and place through buildings, structures and open spaces modified by human use and which are united by past events and use and/or aesthetically, by architecture and plan. The Registered Heritage District Designation is commemorative only and is usually commemorated by means of a bronze plaque. There are no additional restrictions other than what the town may make on its own under the Municipalities Act.

**Granting program for fishery related buildings.** The Fisheries Heritage Preservation Program is a small-project restoration grant program which provides funding to individuals, municipalities, community and nonprofit groups to assist in the preservation and presentation of the Newfoundland and Labrador fisheries heritage (i.e. stages, stores, flakes, lofts and other fishery-related buildings of Newfoundland and Labrador).

**Education and sponsorship.** The HFNL undertakes a number of “how to” publications to inform the public on the correct procedures dealing with the restoration of heritage buildings. Some of these include restoration practices dealing with wooden shingles, exterior wooden cladding, nails, eaves brackets, municipal designation and municipal designation of cemeteries and a publication on Modern Architecture.

The HFNL sponsors a number of initiatives such as the heritage award component of Tidy Towns of Newfoundland and Labrador, and the Southcott Awards and Doors Open NL administered by the Newfoundland Historic Trust. The HFNL also houses the Provincial ICH Program. The ICH Program seeks to safeguard, strengthen and celebrate Newfoundland and Labrador’s distinctive intangible cultural heritage. ICH comprises information in the form of traditional knowledge, beliefs and skills. This is being achieved through support for initiatives that celebrate, record, disseminate and promote our living heritage and help to build bridges between diverse cultural groups within and outside Newfoundland and Labrador. HFNL-ICH regularly runs community training workshops, and works to identify, inventory, and safeguard traditions and bodies of knowledge that are under threat. Preserving intangible cultural heritage is vital to sustaining the province’s innate creativity and sense of identity.

HFNL is involved with an initiative pertaining to the youth of our province; the Provincial Historica Fairs. The Provincial Historica Fairs were introduced to Newfoundland and Labrador and in its initial years was administered by the HFNL. The Fairs now have their own coordinator and are housed with the Newfoundland Historic Sites Association. The HFNL continues as a provincial sponsor and provides a number of awards as well as other support. This program helps students develop a critical appreciation of the significant roles that tangible and intangible heritage plays in our society.

**The Provincial Registry of Historic Places (PRHP) & Standards and Guidelines for the Conservation of Historic Places in Canada and Municipal Outreach.** The Provincial Registry of Historic Places serves as a Registry of Historic Structures and Historic Districts in Newfoundland which is a mandated function of the Department of BTRCD. The Registry has become the HFNL's "portal to the public for information on historic places."

The HFNL administers, promotes and delivers the Standards and Guidelines for the Conservation of Historic Places in Canada which is Canada's first nationwide benchmark of conservation principles and practices. Similar to the national Building Code which is a standard for new construction, the Standards and Guidelines have become the national equivalent for the restoration of historic places. The emphasis is on solid, practical advice for heritage conservation for conserving everything from historic residential and industrial buildings to landscape gardens and archaeological sites. Emphasis has been placed on providing sound, practical advice for conserving our rich and irreplaceable built heritage.

The Municipal Outreach Program of the HFNL encourages municipalities to become aware of and protect their built heritage. The municipal outreach officer instructs municipalities on the designation process under the Municipalities Act and encourages communities to designate structures that are architecturally and historically important within their municipal boundaries. The municipal outreach officer will assist in the writing of a Statement of Significance for the designated structure and then places this designation on the PRHP which feeds to the CRHP.

## **REPORT ON PERFORMANCE**

### **ISSUE 1. Modern Architecture Style Preservation**

The HFNL has, since its inception, concentrated on structures of the 19th and early 20<sup>th</sup> century. Since 2011, the HFNL has been working to include the built heritage of the Modern Architectural style of the province in this protection and commemoration. This style of architecture transpired over a 60-year period and unlike formal architectural styles such as Queen Ann, Second Empire and Georgian, there are no definitive criteria for Modern Architecture. HFNL partnered with Robert Mellin to identify modern style structures of importance as noted in his publication "Newfoundland Modern".

#### **Goal**

By March 31, 2017 the HFNL will have broadened its Registered Heritage Structure Program to include the Modern Architectural style.

**Objective**

By March 31, 2016, the HFNL will have promoted and encouraged applications for the designation of structures built in the Modern Architectural style.

**Measure**

Promoted and encouraged applications for designation of structures in the Modern Architectural style.

**Indicator**

- i. Placed advertisements in community newspapers in Newfoundland and Labrador.

**Activity**

An indication that significant modern architecture is eligible under the Foundation's designation program was included in advertisements for HFNL's funding and grant programs placed in all community newspapers in Newfoundland and Labrador during the winter of 2015.

**Indicator**

- ii. Conducted telephone enquiries to owners of potential structures for designation in the Modern Architecture style.

**Activity**

Telephone enquiries were deemed inappropriate due to the need to first compile an inventory and priority list of buildings that might be considered for designation under Modern Architecture style. As such, the HFNL developed and placed online a new application form and criteria for the designation of Modern style buildings. The criteria for evaluating applications of Modern style buildings are a marked departure from the iconic building styles that are typically associated with heritage buildings in the province. They are "modern" in their style, construction, materials and detail. The criteria developed for evaluating applications of Modern style buildings, included:

- a. **Style** – the building is a recognizable example of a modern architecture style (e.g. Arts and Crafts, Expressionism, Modernism, Style Moderne, Wartime Innovation, International Style, Brutalism, etc.).
- b. **Construction/Materials** – the building is constructed using techniques associated with modern construction (e.g. steel girders, poured concrete, composite materials, man-made stone or brick or glass skin/panels).
- c. **Exterior Detail** – aspects of the exterior of the building give it a particular merit as representative of a style or form of modern architecture (e.g. simplicity and clarity of form, use of glass panels, use of industrially produced materials, concrete construction, concrete panels, curtain walls, window treatment, elimination of unnecessary detail, simple yet decorative finishes or plain simple horizontal and/or vertical lines).



A building that was created during the modern era may be considered of provincial significance if it is in a condition that respects the integrity of its original design, materials, workmanship, function and/or setting. It should also be an outstanding illustration of the following:

- changing social, political and/or economic conditions
- rapid technological advances
- new expressions of form and/or responses to functional demands
- a precedent that had a significant impact on subsequent buildings

In summary, the development of these criteria, and the deployment of the online application form, combined with the HFNL's other promotional activities provided an effective means to promote and encourage potential structures for designation in the Modern Architecture style.

**Objective 1: By March 31, 2017, the HFNL will have promoted and encouraged applications for the designation of structures built in the Modern Architectural style and populated the Provincial Registry of Historic Places with any designated structures built in the Modern Architectural style.**

**Measure: Promoted and encouraged applications for the designation of buildings built in the Modern Architectural style**

**Indicators:**

1. Continued to build awareness that the HFNL will entertain applications for buildings in the Modern Architectural style
2. Identified key Modernist structures in the province and approached owners to consider designation
3. Populated the Provincial Registry of Historic Places with any designated structures built in the Modern Architectural style

## **ISSUE 2. Ecclesiastical Structure Preservation**

Among the most vibrant and architectural important structures in any community in the province are the ecclesiastical structures. Many of these buildings date from the mid-19<sup>th</sup> century and due to the decline in rural population and congregations, these structures are in considerable jeopardy. These ecclesiastical structures fall under the mandate of the HFNL which is to ensure that the built architectural heritage of the province is conserved, protected and commemorated. The HFNL has had interaction with church owners of the benefits of designation and of repurposing rather than demolishing an ecclesiastical structure.

**Goal**

By March 31, 2017 the HFNL will have supported the preservation of historic ecclesiastical structures.

**Objective**

By March 31, 2016 the HFNL will have promoted the preservation of ecclesiastical structures through the continuation of the pilot project.

**Measure**

Promoted the preservation of ecclesiastical structures.

**Indicator**

- i. Continued pilot project with emphasis on education for the adaptive reuses of non-active churches and the greening process for active churches

**Activity**

Continued the pilot project with emphasis on education for the adaptive reuses of non-active churches and the greening process by completing the classification of all churches in the province that identified properties as: I) maximum heritage value; II) considerable heritage value; III) substantial heritage value; IV) little heritage value. This will assist the HFNL in targeting ecclesiastical properties worthy of consideration for designation.

**Indicator**

- ii. Continued dialogue with church leaders in NL to encourage applications for registered heritage status from the ecclesiastical community.

**Activity**

Dialogue was continued with church leaders in the province by providing heritage information to approximately 20 church organizations concerning the designation and restoration of churches in the form of telephone and email inquiries and face-to-face meetings.

**Indicator**

- iii. Promoted the choice (option) of entering into legal contracts over easement agreements as a more flexible means to preserve ecclesiastic structures.

**Activity**

To date 47 ecclesiastical structures have been designated by the HFNL which includes the majority of churches classified as having maximum heritage value. Undesignated church properties in Epworth, Griquet, Happy Valley-Goose Bay, New Perlican, Petty Harbour and St. Shott's were encouraged to submit applications for designation but

none were received. All new inquiries were made aware of the option to enter into an easement or a contract if grants are approved.

Several designated churches contacted the HFNL regarding grants. Of these, five previously funded churches applied and were approved for grants and one previously unfunded church (St. Paul's Anglican Church, Harbour Grace) was approved. St. Paul's was made aware of the choice of easement or contract but has yet to sign their agreement.

**Objective 2: By March 31, 2017 the HFNL will have examined the efficiency of the pilot project and implemented revisions if/where necessary.**

**Measure:** Examined the efficiency of outreach efforts undertaken in the ecclesiastical pilot project and implemented revisions if/where necessary

**Indicators:**

1. Undertook a survey of owners of church properties classed I-III to gauge their awareness of HFNL programs and services regarding historic churches
2. Provided information to those church property owners interested in receiving additional information from HFNL
3. Implemented revisions to outreach efforts if/where necessary

**ISSUE 3. Intangible Cultural Heritage Preservation**

As lifestyles and the economy change, traditional knowledge is at risk of being lost. To ensure that intangible heritage is not lost to future generations, it is important to record and document it while those with knowledge are still active. Documenting the link between tangible and intangible will ensure that the stories related to structures, places and objects will be maintained.

**Goal**

By March 31, 2017 the HFNL will have strengthened the protection of intangible culture.

**Objective**

By March 31, 2016 the HFNL will have documented key traditions at risk.

**Measure**

Key traditions at risk are documented.

**Indicator**

- i. Held a meeting late fall/early spring to document key ICH traditions at risk.

**Activity**

Two public workshop sessions were held to document key ICH traditions at risk. The first was held at the Research Centre for Music, Media and Place (MMaP) Gallery, Arts and Culture Centre, St. John's on March 10<sup>th</sup>, with approximately 25 participants representing a variety of cultural institutions, archives, and heritage umbrella organizations. The second workshop was held as part of the second annual Youth Heritage Forum which took place at The Lantern in St. John's on March 19<sup>th</sup>. The Youth Forum session had 14 participants. A final report was generated, and distributed to survey participants, HFNL board members, and placed online.

**Indicator**

- ii. Created a report on ICH traditions at risk based on discussions from that meeting and circulated that report to the Board of Directors.

**Activity**

A report on ICH traditions at risk was created from public consultation by phone and from online surveys. Phone surveys were conducted based on the membership list of the Museums Association of NL, and an online survey was established using SurveyMonkey. A total of 150 surveys (phone and online combined) were completed and a "Mapping Traditions at Risk" map was created using Google Maps to plot the communities of participants of the survey. In addition, CBC CrossTalk in cooperation with HFNL hosted a discussion of ICH at risk on February 22<sup>nd</sup>, with provincial coverage.

Aspects of ICH identified as being of greatest risk, listed in the order of preference, included: knowledge of the land and sea; traditional methods of food preservation; oral traditions and storytelling; traditional crafts and knowledge of traditional construction techniques in rural parts of the province.

**Objective 3: By March 31, 2017 the HFNL will have demonstrated the link between Intangible and Tangible Cultural Heritage.**

**Measure: The link between intangible and tangible heritage was demonstrated**

**Indicators:**

1. Undertook a pilot project on the documentation of tangible and intangible heritage values of a designated registered heritage structure
2. Prepared and disseminated a final report on the documented heritage values

#### **ISSUE 4. Evaluation of HFNL Operations, Mandate & Programs**

The evaluation of HFNL Operations, Mandate & Programs will articulate what the HFNL wants to achieve; how it achieves its intended outcomes; how it matches resources with activities/resources; and how to monitor and evaluate its efforts.

#### **Goal 4**

By March 31, 2017, the HFNL will have reviewed, assessed and evaluated the operations, mandate and programs of the HFNL.

#### **Objective**

By March 31, 2016 the HFNL will have completed the evaluation of the HFNL operations, mandate and programs and circulated the Evaluation Report to all Board Members.

#### **Measure**

Completed evaluation of HFNL and circulated to all Board Members.

#### **Indicator**

- i. Completed the evaluation of the HFNL operations, mandate and programs and circulated it to all Board Members.

#### **Activity**

The external evaluation of the HFNL operations, mandate and programs, completed by Goss Gilroy and Associates, was formally presented to the Board on March 14, 2015.

#### **Indicator**

- ii. HFNL Directors will have held a facilitated Board meeting to review the evaluation report and determine the steps necessary to implement the recommendations from the report.

#### **Activity**

The Board undertook a strategic planning exercise to identify short- and long-term goals based on priorities identified in the evaluation report. The session, held in Cupids May 29<sup>th</sup>-30<sup>th</sup>, was facilitated by a professional hired facilitator, Chip Clark. She took the group through a number of discussions that included: success criteria for the strategy session; review of priorities identified in the evaluation report; brainstorming on strategies for implementing the recommendations in the evaluation report; and the development of a 12-month operational plan to address short-term requirements.

**Indicator**

- iii. Board of Directors will have prioritized report recommendations.

**Activity**

The Board prioritized a number of strategic priorities based on the report recommendations, which included: better and more regular monitoring of progress toward achieving goals; better integration of ICH with tangible values of heritage; developing an IT and communications strategy; increased municipal outreach; enhanced collaboration with potential partner groups; better monitoring and tracking designated properties; and enhanced outreach to owners of heritage properties

Priorities identified in the 12-month operational plan included: succession plan for the soon-to-retire executive director; board succession plan; and an ICH governance model.

**Objective 4: By March 31, 2017 the HFNL will have reviewed the Evaluation Report and implemented selected recommendations if necessary.**

**Measure: Implementation of selected recommendations commenced if necessary**

**Indicator:**

- 1. Implemented, if necessary, selected Evaluation Report recommendations

## **APPENDIX 1 - Report on Historic Commemorations**

### **Background**

The Provincial Historic Commemorations Board (PHCB) was identified as a commitment within the Provincial Government's cultural strategy Creative Newfoundland and Labrador: The Blueprint for Development and Investment in Culture. The *Historic Resources Act* was amended to include commemorations of sites, events, people or cultural traditions in the province that are considered by the Minister to be of historical or cultural significance and that are to be registered provincial cultural resources. Operating under the Department of Business, Tourism, Culture and Rural Development (BTCRD), the function of the PHCB was to advise the Minister regarding these nominations for designation under the guidelines of the Provincial Historic Commemorations Program (PHCP).

### **Mandate**

The mandate of the PHCB is to advise the Minister of BTCRD regarding commemorations under the PHCP. The Board also undertakes activities to promote the program and to educate Newfoundlanders and Labradorians about subjects that have been commemorated. This supports the wider mandate of the Department of BTCRD of promoting, protecting, and preserving the province's heritage. The Board's mandate supports goals identified in the Provincial Government's cultural strategy Creative Newfoundland and Labrador: The Blueprint for Development and Investment in Culture, namely to commemorate significant tangible and intangible cultural heritage resources.

### **Vision**

The Vision of the PHCB is of a province whose citizens have a high level of appreciation and knowledge of the province's history and its cultural traditions.

### **Board of Directors**

At the end of this reporting period, March 31, 2016 the board consisted of the following members:

Chairperson	Joan Ritcey, St. John's
Members	Olaf Janzen, Corner Brook
	Patty Way, Happy Valley-Goose Bay
	Peter Pope, St. John's
	Robert C. Parsons, Grand Bank
	Vacant, Director of Heritage, Department of BTCRD

**Financial Information**

The program budget for the PHCP for 2015-16 was \$19,378. The program is funded through the Department of BTCRD and is not required to provide audited financial statements.

**OBJECTIVES AND ACTIVITIES**

The following represents the activities of the former PHCB, relevant to the operation of the PHCP, which was transferred to the HFNL as a result of Budget 2016-17. The following is a report on activities from the second year of the PHCB 2014-17 Activity Plan.

**ISSUE 1. Commemoration Recommendations**

The Board's main objective was to review commemoration nominations submitted by the public and to make recommendations to the Minister.

**Objective**

By March 31, 2016, the PHCB will have provided recommendations on commemorations to be designated at a ceremony to be held by October of that year.

**Measure**

Provided recommendations on commemorations.

**Indicator**

- i. Held semi-annual meetings to review nominations submitted by the public.

**Activity**

The PHCB met twice in 2015-16. The first meeting occurred on June 24, 2015 by teleconference to review the following nominations:

- Establishment of Memorial University
- Newfoundland Escort Force
- Traditional Games of Newfoundland and Labrador
- Spectacle Head/American Man, Cupids
- Rev. Dr. Lester Leeland Burry
- Captain Christopher Bertram Dicks

The second meeting occurred on October 14, 2015 in the Centre for Learning and Development, West Block, to review the following nominations:

- Labrador Husky
- Them Days
- Sir William Vaughan
- Pass Island



- Eastern Section of Red Indian Lake

**Indicator**

- ii. Recommended research to be commissioned to support commemorations recommendations.

**Activity**

In 2015-16 the Board recommended the following research to be commissioned:

- Traditional Games of Newfoundland and Labrador by Robin McGrath
- The Establishment of American and Canadian Bases in Newfoundland and Labrador during the Second World War by Paul Collins
- Pass Island by George Withers
- Sled Dogs by Oswald Michelin
- Early Colonizers of the 17<sup>th</sup> century by William Gilbert

Research was determined to be necessary based on Board review of the application and the need for additional detail.

**Indicator**

- iii. Recommended commemorations to be announced at an annual event.

**Activity**

In 2015-16 the Board recommended the following commemorations that were designated by the Minister on October 14, 2015 at a ceremony at The Rooms in St. John's:

- *The Establishment of Memorial University of Newfoundland*, an event of provincial significance. Nominator: Mr. Douglas Ballam, WW100 Events Coordinator, Memorial University of Newfoundland
- *The Establishment of American and Canadian Bases in Newfoundland and Labrador during the Second World War*, an event of provincial significance. Nominator: Lt-Cdr. Margaret Morris, RCN (ret'd), President, The Crow's Nest Officers Club
- *Traditional Games of Newfoundland and Labrador*, a cultural tradition and practice. Nominator: Mr. Dale Jarvis, Heritage Foundation of Newfoundland and Labrador
- *The Newfoundland Pony*, a cultural tradition and practice. Nominator: Ms. Dominique Lavers
- *Rev. Dr. Lester Leeland Burry*, a person of provincial significance. Nominator: Ms. Linda White
- *19th Century Outport Merchants*, a group of people with provincial significance. Three designates share this commemoration:
  - Mr. Thomas Ridley of Harbour Grace. Nominator: Ms. Rhonda Parsons

- Mr. Roger F. Sweetman of Placentia. Nominator: Town of Placentia
- Mr. John Bingley Garland of Trinity. Nominator: Jim Miller, Trinity Historical Society

On May 24, 2015, Thomas Ricketts was commemorated at the unveiling of the plans for a Thomas Ricketts Memorial Park in Kelligrews.

**ISSUE 2. Development of Legacy Activities**

Following each commemoration, nominees can access funds through the PHCP to develop legacy activities to further raise awareness about the program and each commemoration.

**Objective**

By March 31, 2016, the Provincial Historic Commemorations Board will have advised on the execution of legacy activities developed for each commemoration made that year.

**Measure**

Advised on execution of legacy activities.

**Indicator**

- i. Advice provided to designates developing legacy activities.

**Activity**

Advice was provided to designates developing legacy activities undertaken by:

- Sir William Ford Coaker Heritage Foundation for a symposium to raise awareness of the 2014 designation for the Fishermen’s Protective Union
- The Crow’s Nest Officers Club for the publication of a new edition of *A Safe Haven - Sixty Years at the Crow's Nest: Edited by Shannon M. Lewis*
- Newfoundland Pony Society to offer free DNA testing to broaden the genetic pool of the Pony

**ISSUE 3. Promotion and Accessibility of the Program**

As a citizen-driven program, it was the goal of the PHCB to ensure that all residents of the province can easily access information about the program, and that the process for nominating people, places, events, cultural traditions and tradition bearers of historic and cultural significance is straightforward and transparent.

**Objective**

By March 31, 2016, the Board will have promoted and made the Provincial Historic Commemorations Program more accessible.

**Measure**

Provincial Historic Commemorations Program promoted and made more accessible.

**Indicator**

- i. Program website maintained.

**Activity**

The program website was updated with new designations.

**Indicator**

- ii. Program Facebook page maintained.

**Activity**

Program Facebook was not initiated due to lack of internal resources.

**Indicator**

- iii. Sectoral/special interest organizations contacted to raise awareness about the nomination process.

**Activity**

The Board directed the Director of Heritage of BTCRD to consult with the Communications Branch of the Department on the most effective way to develop a communications plan to better determine our audience and how to reach them.

**Indicator**

- iv. One commemorations ceremony held in a region outside of St. John's.

**Activity**

The commemorations ceremony for the majority of designations was held on October 14, 2015 at The Rooms in St. John's. On May 24, 2015, Thomas Ricketts was commemorated at the unveiling of the plans for a Thomas Ricketts Memorial Park in Kelligrews.

**Indicator**

- v. Heritage Fair Award promoted and awarded.

**Activity**

The Heritage Fair Award, designed to encourage youth involvement and nominations to the Commemorations Program, was promoted in conjunction with the Historic Sites Association through their website. At each regional fair the project that was judged most promising for a nomination received the Heritage Fair Award. Seven winners received a certificate, \$50 prize and information on how to make a nomination.

Winners were encouraged to submit a nomination to the program for a chance to win an overall prize of an iPad. This prize was awarded to Claire Donnan of St. John's for her submission of Captain Christopher Bertram Dicks.

**HERITAGE FOUNDATION OF  
NEWFOUNDLAND AND LABRADOR**

**FINANCIAL STATEMENTS**

**MARCH 31, 2016**

## **Management's Report**

### ***Management's Responsibility for the Heritage Foundation of Newfoundland and Labrador Financial Statements***

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information on a periodic basis and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Foundation, in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Heritage Foundation of Newfoundland and Labrador.

On behalf of the Heritage Foundation of Newfoundland and Labrador.



---

Jerry Dick  
Executive Director



**AUDITOR  
GENERAL**  
of Newfoundland and Labrador

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**INDEPENDENT AUDITOR'S REPORT**

To the Chairperson and Members  
Heritage Foundation of Newfoundland and Labrador  
St. John's, Newfoundland and Labrador

**Report on the Financial Statements**

I have audited the accompanying financial statements of the Heritage Foundation of Newfoundland and Labrador which comprise the statement of financial position as at March 31, 2016, the statements of operations, change in net financial assets and cash flows 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.

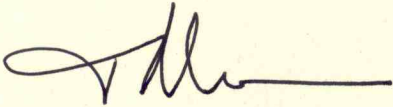
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

## **Independent Auditor's Report (cont.)**

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 the Heritage Foundation of Newfoundland and Labrador as at March 31, 2016, and its financial performance and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink, appearing to read 'T. Paddon', followed by a horizontal line.

**TERRY PADDON, CPA, CA**  
**Auditor General**

July 20, 2016  
St. John's, Newfoundland and Labrador

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**STATEMENT OF FINANCIAL POSITION**  
 As at March 31

2016

2015

**FINANCIAL ASSETS**

Cash	\$ 168,101	\$ 28,418
Portfolio investments (Note 3)	1,214,482	1,567,394
Accounts receivable (Note 4)	83,330	58,172
	<u>1,465,913</u>	<u>1,653,984</u>

**LIABILITIES**

Accounts payable and accrued liabilities	799	15,696
Accrued employee benefits	30,978	34,808
Employee future benefits (Note 5)	49,387	82,125
Deferred revenue (Note 6)	1,097,729	1,206,959
	<u>1,178,893</u>	<u>1,339,588</u>

**Net financial assets**

287,020      314,396

**NON-FINANCIAL ASSETS**

Tangible capital assets, net (Note 7)	8,663	-
Prepaid expenses	1,203	889
	<u>9,866</u>	<u>889</u>

**Accumulated surplus (Note 8)**

\$ 296,886      \$ 315,285

Contractual obligations (Note 12)

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

Signed on behalf of the Foundation:

  
 \_\_\_\_\_  
 Chairperson

  
 \_\_\_\_\_  
 Member



**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended 31 March**

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
<b>REVENUES</b>			
Province of Newfoundland and Labrador (Note 15)	\$ 605,500	\$ 761,730	\$ 542,547
Donation	-	-	90,000
Income from portfolio investments	-	24,873	32,134
<u>Miscellaneous</u>	<u>22,800</u>	<u>28,600</u>	<u>6,859</u>
	<u>628,300</u>	<u>815,203</u>	<u>671,540</u>
<b>EXPENSES (Note 9)</b>			
Heritage grants	200,000	342,818	53,846
Fisheries Heritage Preservation Initiative	-	4,129	26,768
Special projects (Note 10)	3,000	23,152	143,800
Administration	342,700	350,889	368,412
<u>Intangible Cultural Heritage Strategy (Note 11)</u>	<u>143,600</u>	<u>112,614</u>	<u>114,777</u>
	<u>689,300</u>	<u>833,602</u>	<u>707,603</u>
<b>Annual deficit</b>	<b>(61,000)</b>	<b>(18,399)</b>	<b>(36,063)</b>
<b>Accumulated surplus, beginning of year</b>	<b>315,285</b>	<b>315,285</b>	<b>351,348</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 254,285</b>	<b>\$ 296,886</b>	<b>\$ 315,285</b>

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

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

For the Year Ended March 31

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
<u>Annual deficit</u>	\$ (61,000)	\$ (18,399)	\$ (36,063)
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	-	(9,285)	-
<u>Amortization of tangible capital assets</u>	-	622	-
	-	(8,663)	-
<b>Prepaid expenses</b>			
Acquisition of prepaid expense	-	(2,809)	(16,155)
<u>Use of prepaid expense</u>	-	2,495	16,395
	-	(314)	240
<b>Decrease in net financial assets</b>	(61,000)	(27,376)	(35,823)
<b>Net financial assets, beginning of year</b>	314,396	314,396	350,219
<b>Net financial assets, end of year</b>	\$ 253,396	\$ 287,020	\$ 314,396

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

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR  
STATEMENT OF CASH FLOWS**

For the Year Ended March 31

2016

2015

**Operating transactions**

Annual deficit	\$ (18,399)	\$ (36,063)
Adjustment for non-cash items		
Amortization of tangible capital assets	622	-
	(17,777)	(36,063)
Change in non-cash operating items		
Accounts receivable	(25,158)	22,184
Accounts payable and accrued liabilities	(14,897)	(71,544)
Accrued employee benefits	(3,830)	(2,353)
Employee future benefits	(32,738)	2,762
Deferred revenue	(109,230)	48,093
Prepaid expense	(314)	240
<b>Cash applied to operating transactions</b>	<b>(203,944)</b>	<b>(36,681)</b>

**Capital transactions**

Purchase of tangible capital assets	(9,285)	-
<b>Cash applied to capital transactions</b>	<b>(9,285)</b>	<b>-</b>

**Investing transactions**

Purchase of portfolio investments	(547,088)	(531,332)
Redemption of portfolio investments	900,000	475,851
<b>Cash provided from (applied to) investing transactions</b>	<b>352,912</b>	<b>(55,481)</b>
<b>Increase (decrease) in cash</b>	<b>139,683</b>	<b>(92,162)</b>
<b>Cash, beginning of year</b>	<b>28,418</b>	<b>120,580</b>
<b>Cash, end of year</b>	<b>\$ 168,101</b>	<b>\$ 28,418</b>

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

# HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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### 1. Nature of operations

The Heritage Foundation of Newfoundland and Labrador (the Foundation) operates under the authority of the *Historic Resources Act*. Its affairs are managed by members of the Foundation appointed by the Lieutenant-Governor in Council.

The objectives of the Foundation are:

- (a) to stimulate an understanding of and appreciation for the architectural heritage of the Province;
- (b) to support and contribute to the preservation, maintenance and restoration of buildings and other structures of architectural or historical significance in the Province; and
- (c) to contribute to the increase and diffusion of knowledge about the architectural heritage of the Province.

The Foundation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

### 2. Summary of significant accounting policies

#### (a) Basis of accounting

The Foundation is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (CPSAS). These financial statements are prepared by management in accordance with CPSAS for provincial reporting entities established by the Canadian Public Sector Accounting Board (PSAB). The Foundation does not prepare a statement of remeasurement gains and losses as the Foundation does not enter into relevant transactions or circumstances that are being addressed by the statement.

#### (b) Financial instruments

The Foundation's financial instruments recognized on the statement of financial position consist of cash, portfolio investments, accounts receivable, accounts payable and accrued liabilities, and accrued employee benefits. The Foundation generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition. The Foundation subsequently measures all of its financial assets and financial liabilities at cost.

The carrying values of cash, portfolio investments, accounts receivable, accounts payable and accrued liabilities, and accrued employee benefits approximate fair value due to their nature and/or the short term maturity associated with these instruments.

Interest attributable to financial instruments is reported on the statement of operations.

**2. Summary of significant accounting policies (cont.)**

**(c) Cash**

Cash includes cash in the bank.

**(d) Deferred revenue**

Deferred revenue consists of contributions received from the Province of Newfoundland and Labrador to be used for the payment of heritage grants and other heritage initiatives as directed by the Province. These contributions are recognized as revenue in the fiscal year the related expenses are incurred.

**(e) Employee future benefits**

- i. Severance pay is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service, and accordingly a liability has been recorded for these employees. The amount is payable when the employee ceases employment with the Foundation unless the employee transfers to another entity in the public service, in which case the liability is transferred with the employee to the other entity.
- ii. The employees of the Foundation are covered by the *Public Service Pensions Act, 1991*, or a self-directed RRSP. For employees covered by the self-directed RRSP, the Foundation will contribute at the same rates as the Public Service Pension Plan based on the employee's salary to the self-directed RRSP but there is no requirement for the employee to match the contributions.

For employees covered by the *Public Service Pension Act, 1991*, employee contributions are matched by the Foundation and then remitted to the Public Service Pension Plan Corporation from which pensions will be paid to employees when they retire. This plan is a multi-employer, defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best five years of earnings up to January 1, 2015, or the average of the best six years of earnings for all service.

The contributions of the Foundation to both the self-directed RRSPs and the Public Service Pension Plan Corporation are recorded as an expense for the year.

**(f) Tangible capital assets**

Tangible capital assets are recorded at cost, including amounts that are directly related to the acquisition of the assets.

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

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**2. Summary of significant accounting policies (cont.)**

**(f) Tangible capital assets (cont.)**

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Systems development	5 years
Office and computer equipment	5 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Foundation's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Minor tangible capital asset purchases are charged to operations in the year of acquisition.

**(g) Prepaid expenses**

Prepaid expenses are charged to the expense over the periods expected to benefit from it.

**(h) Revenues**

Revenues are recognized in the periods in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

The Foundation recognizes government transfers as revenues when the transfer is authorized, any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability for the Foundation. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfers consist of funding from the Province of Newfoundland and Labrador and the Government of Canada.

Income from portfolio investments is recorded as earned.

**(i) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is recorded as an expense.

Government transfers are recognized as expenses in the period in which the transfer is authorized and all eligibility criteria have been met. Government transfers include grants and subsidies under the Foundation's Registered Heritage Structures grant program, the Fisheries Heritage Preservation grant program, and other projects as directed by the Province.

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

**2. Summary of significant accounting policies (cont.)**

**(j) Measurement uncertainty**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets and estimated employee future benefits.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

**3. Portfolio investments**

	<u>2016</u>	<u>2015</u>
Portfolio investments, at cost	\$ 1,214,482	\$ 1,567,394
Portfolio investments, at market	\$ 1,214,482	\$ 1,567,394

Investments consist of Guaranteed Investment Certificates, with maturity dates ranging from July 2, 2016 to November 6, 2017, and interest rates ranging from 1.00% to 2.45%.

**4. Accounts receivable**

	<u>2016</u>	<u>2015</u>
Investment income receivable	\$ 12,907	\$ 19,623
Harmonized sales tax receivable	9,223	28,953
Province of Newfoundland and Labrador	58,700	8,700
Trade accounts receivable	2,500	896
	<u>\$ 83,330</u>	<u>\$ 58,172</u>

There is no allowance for doubtful accounts since all amounts are considered collectible.

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

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**5. Employee future benefits**

(a) Severance pay

Employee future benefits consist of the liability for severance pay of \$49,387 (2015 - \$82,125).

(b) Retirement benefits

The Foundation and certain of its employees are subject to the *Public Service Pensions Act, 1991*. The plan is administered by the Public Service Pension Plan Corporation, including payment of pension benefits to employees to whom the *Act* applies.

The plan provides a pension to employees based on their age at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was 11.85% (2015 - 11.85%). The Foundation's contributions equal the employee contributions to the plan. Total pension expense for the Foundation for the year ended March 31, 2016 was \$12,845 (2015 - \$8,921).

For those employees not covered by the Public Service Pension Plan, the Foundation will make an annual contribution equal to the rate provided under the Public Service Pension Plan (maximum of 11.85% of the employee's salary) to a self-directed RRSP. There is no requirement that the employee make a matching contribution. Contributions to self-directed RRSPs for the year ended March 31, 2016, were \$16,931 (2015 - \$13,459).

**6. Deferred revenue**

Deferred revenue consists of contributions received from the Province of Newfoundland and Labrador to be used for the payment of heritage grants and other heritage initiatives as directed by the Province.

	<u>2016</u>	<u>2015</u>
Registered Heritage Structures	\$ 786,478	\$ 936,434
Fisheries Heritage Preservation Program	56,005	60,133
Ecclesiastical Structures	113,824	113,824
Registered Heritage Districts	91,422	96,568
Collective Memories Project	50,000	-
	<hr/> \$ 1,097,729	<hr/> \$ 1,206,959



**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

**7. Tangible capital assets**

	<b>Systems development</b>	<b>Office and computer equipment</b>	<b>Total</b>
<b>Cost</b>			
Balance, March 31, 2015	\$ 267,096	\$ 65,558	\$ 332,654
Acquisition of Tangible Capital Assets	-	9,285	9,285
Balance, March 31, 2016	267,096	74,843	341,939
<b>Accumulated amortization</b>			
Balance, March 31, 2015	267,096	65,558	332,654
Amortization expense	-	622	622
Balance, March 31, 2016	267,096	66,180	333,276
<b>Net book value, March 31, 2016</b>	<b>\$ -</b>	<b>\$ 8,663</b>	<b>\$ 8,663</b>
<b>Net book value, March 31, 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**8. Accumulated surplus**

Section 25 of the *Historic Resources Act* requires the Foundation to maintain a Fund of monies voted to it by the Legislature and of other monies received by way of gift, bequest, donation or otherwise. Disbursements from the Fund may be made by the Foundation for the purposes set out in the Legislation. The Fund consists of the accumulated surplus of the Foundation. As at March 31, 2016, the Fund balance was \$296,886 (2015 - \$315,285).

**9. Expenses by object**

The following is a summary of expenses by object:

	<b><u>2016</u></b>	<b><u>2015</u></b>
Salaries and benefits	\$ 380,100	\$ 378,078
Grants	359,809	87,045
Professional services	4,846	157,161
Purchased services	48,114	49,317
Travel	33,563	29,378
Amortization	622	-
Communications	4,143	4,162
Property, furnishings and equipment	2,405	2,462
	<b>\$ 833,602</b>	<b>\$ 707,603</b>

# HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## NOTES TO FINANCIAL STATEMENTS

March 31, 2016

### 10. Special projects

The Foundation incurred expenses related to the following special projects.

	<u>2016</u>	<u>2015</u>
Succession Planning	\$ 4,248	\$ -
Grand Falls-Windsor Digitization Project	9,643	-
Helicopter Memorial	1,500	136,340
UNESCO	-	2,907
Other	7,761	4,553
	<u>\$ 23,152</u>	<u>\$ 143,800</u>

### 11. Intangible Cultural Heritage Strategy

In 2008, the Province appointed the Foundation to lead and implement the Province's Intangible Cultural Heritage Strategy. The mission of the Strategy is to safeguard and sustain the Intangible Cultural Heritage of Newfoundland and Labrador for present and future generations, as a vital part of the identities of Newfoundlanders and Labradorians, and as a valuable collection of unique knowledge and customs. During the year, the Foundation recognized \$95,600 (2015 - \$97,009) in revenue related to the Strategy. The Foundation also incurred expenses of \$112,614 (2015 - \$114,777) related to the Strategy.

### 12. Contractual obligations

#### (a) Grant commitments

As at March 31, 2016, the Foundation had committed \$579,400 (2015 - \$510,823) in the form of heritage grants approved but not yet disbursed or rescinded. Future disbursements related to these heritage grants will be recorded as reductions to deferred revenue. The Foundation adopted a policy with respect to heritage grant commitments requiring that all grants approved be available for a period of two years from the date of grant approval. Clients not utilizing the heritage grants within this timeframe will forfeit their right to these heritage grants, unless an extension is granted.

As at March 31, 2016, the Foundation had also committed \$0 (2015 - \$0) in the form of Fisheries Heritage Preservation Initiative grants approved but not yet disbursed or rescinded. Future disbursements related to these Fisheries Heritage Preservation Initiative grants will be recorded as reductions to deferred revenue. The Foundation's policy with respect to Fisheries Heritage Preservation Initiative grant commitments requires that all grants approved be available for a period of one year from the date of grant approval. Clients not utilizing the Fisheries Heritage Preservation Initiative grants within this timeframe will forfeit their right to these grants, unless an extension is granted.

# HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR

## NOTES TO FINANCIAL STATEMENTS

March 31, 2016

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### 12. Contractual obligations (cont.)

#### (b) Operating lease obligation

Office equipment has been leased by the Foundation. Minimum lease payments over the term of the lease are as follows:

2016-17                      \$ 1,628

  \$ 1,628

### 13. Financial risk management

The Foundation recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Foundation is exposed to through its financial instruments are credit risk, liquidity risk and market risk. There was no significant change in the Heritage Foundation of Newfoundland and Labrador's exposure to these risks or its processes for managing these risks from the prior year.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risk relates to cash, portfolio investments and accounts receivable. The Foundation's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Foundation is not exposed to significant credit risk with its cash or portfolio investments because these financial instruments are held with a Chartered Bank. The Foundation is not exposed to significant credit risk related to its accounts receivable as these amounts are due primarily from the Province of Newfoundland and Labrador, a Chartered Bank, or the Government of Canada. Accordingly, there is no allowance for doubtful accounts as all amounts are considered collectible.

#### Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to meet its financial liabilities and contractual obligations. The Foundation's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, accrued employee benefits, and its contractual obligations as disclosed in Note 12. The Foundation manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its financial liabilities and contractual obligations.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Foundation is not exposed to significant foreign exchange or other price risk. The Foundation is not exposed to significant interest rate risk related to its portfolio investments because these investments have fixed interest rates and fixed values at maturity.

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2016**

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**14. Budgeted figures**

Budgeted figures, which have been prepared on a cash basis, are provided for comparison purposes and have been derived from the estimates approved by the Board of Directors of the Foundation.

**15. Related party transactions**

- (a) The Foundation receives grant funding from the Province of Newfoundland and Labrador. During the year, the Foundation received grants totaling \$652,500 (2015 - \$583,900). The Foundation recognized \$761,730 (2015 - \$542,547) in revenue from the Province of Newfoundland and Labrador.
- (b) The Foundation leases office space from the Province of Newfoundland and Labrador at an annual rate of \$1.
- (c) The Foundation incurred expenses of \$0 (2015 - \$5,000) with related parties.
- (d) Accounts receivable includes amounts due from related parties of \$58,700 (2015 - \$8,700)

**16. Non-financial assets**

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Foundation. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Foundation's objectives.

**17. Comparative figures**

Certain comparative figures have been restated to conform to the current year's presentation.