

September 28, 2012

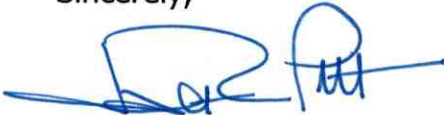
Ms Sandra Barnes
Clerk of the House of Assembly

Dear Ms Barnes:

Re: 2011-12 Annual Report

On behalf of the Minister of Tourism, Culture and Recreation, I am pleased to provide 10 paper copies of the 2011-12 Annual Report of the Heritage Foundation of Newfoundland and Labrador. It has also been submitted to the House in digital format. By this letter, I am conveying the Minister's intent to table.

Sincerely,



Janet Miller Pitt
Director, Strategic Planning and Policy Division

c: Ms. Kimberly Puddister, House of Assembly
Mr. Andy Fowler, House of Assembly
Ms. Wanda Mazerolle, Transparency and Accountability Office
Ms. Andrea Hyde, House of Assembly

HERITAGE FOUNDATION of Newfoundland and Labrador

Annual Report 2011-2012



Cover – clockwise from top left

Quirpon Island Lightkeeper's Residence, Cape Bauld

Fred Freeman – George Moody's Stage/Store, Champney's West

All Saints Anglican Church and Cemetery – English Harbour

Root Cellar in Portugal Cove

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May 31, 2012

The Honourable Derrick Dalley
Minister of Tourism, Culture and Recreation
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister:

This Annual Report is submitted in accordance with *Section 28* of *The Historic Resources Act* and covers the activities of the Heritage Foundation of Newfoundland and Labrador (HFNL) for the fiscal year **2011-12**.

The Heritage Foundation of Newfoundland and Labrador was established in 1984 under *Part IV* of *The Historic Resources Act* and enacted by the House of Assembly in legislative session. The *Act* confers on the Foundation the authority to preserve the 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. Through this, HFNL stimulates an understanding and appreciation of the architectural, cultural and historical value of the cultural landscape.

Since 2008 HFNL has implemented the province's Intangible Cultural Heritage Strategy. Our mission is to safeguard and sustain the Intangible Cultural Heritage (ICH) of Newfoundland and Labrador for present and future generations everywhere, as a vital part of the identities of Newfoundlanders and Labradorians, and as a valuable collection of unique knowledge and customs. This will be achieved through policies that support initiatives that will celebrate, record, disseminate and promote our living heritage and help to build bridges between diverse cultural groups within and outside Newfoundland and Labrador.

The 2011-12 annual report for the Heritage Foundation of Newfoundland and Labrador is submitted in accordance with government's commitment to accountability. This report, which reflects the activities and outcomes of the Heritage Foundation of Newfoundland and Labrador from April 1, 2011 to March 31, 2012, was prepared under the direction of the Board of Directors and the Board is accountable for the actual results reported therein.

Respectfully submitted,

Kenneth Flynn, Chair
Heritage Foundation of Newfoundland and Labrador

Mandate:

The Heritage Foundation of Newfoundland and Labrador (HFNL) was established in 1984 under *Part IV, sections 19-30 of The Historic Resources Act* and enacted by the House of Assembly in legislative session. The Foundation has a primary mandate to preserve one of the most visible dimensions of Newfoundland and Labrador culture - its architectural heritage. The mandate of the Foundation is to preserve this 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.

Overview:

The Heritage Foundation of Newfoundland and Labrador was established in 1984 under *Part IV of The Historic Resources Act* and enacted by the House of Assembly in legislative session. The Foundation is the pre-eminent organization in the province mandated to preserve one of the most visible dimensions of Newfoundland and Labrador’s culture – its architectural heritage.

The Foundation is composed of a Board of Directors appointed by the Lieutenant-Governor in Council. The Board of Directors is composed of 12 members: Chairperson, Vice-Chairperson, government representative and several Board members (full complement shall consist of not less than 7 nor more than 12 members as per the *Act*).

The *Act* confers on the Foundation the authority to preserve the 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. Through this, HFNL stimulates an understanding and appreciation of the architectural, cultural and historical values of the cultural landscape. Changes to the *Act* in 2001 governing the Foundation allowed the Foundation to designate whole areas, districts and communities as Registered Heritage Districts, which will denote the unique heritage values of structures and their association to the landscape.

From 2006 to March 31, 2010 the Foundation administered the Historic Places Initiative (HPI), a multifaceted program aimed at conserving and celebrating Canada’s historic places. This program was an initiative under the Government of Canada under contract by the provincial government, and was implemented in Newfoundland and Labrador by HFNL. The HPI Program ceased as of March 31, 2010, but the legacy of this program has been the introduction and continuation of three programs, the Provincial Registry of Historic Places (PRHP); Standards & Guidelines for the Conservation of Historic Places in Canada, and Municipal Outreach.

The PRHP serves as a Registry of Historic Structures and Historic Districts in Newfoundland which is a mandated function of the Department of Tourism, Culture and Recreation. This legislative mandate has now been assumed by the HFNL. The Registry has become the Heritage Foundation’s “portal to the public” of not only Newfoundland and Labrador but anyone schooled in the knowledge of the internet.

The Standards and Guidelines for the Conservation of Historic Places in Canada is Canada's first nationwide benchmark of conservation principles and practices. 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.

This year the Foundation received \$ 679,375 from the provincial government for the following: Operating grant \$ 300,000; Restoration/Maintenance Grants \$ 200,000; ICH Grant \$ 75,000; Fisheries Heritage Grant \$ 75,000; ICH Training Initiative \$13,665; Folklore Co-op Program \$6,000; Graduate Employment Program \$7,210, and Mummings Festival \$2,500.

Shared Commitments:

HFNL works with the Department of Tourism, Culture & Recreation to preserve Newfoundland and Labrador's architectural heritage through designations, grants, and advisory services.

Board of Directors:

| | | | |
|----------------------|----------------|--------------------------|--------------------|
| Kenneth Flynn, Chair | Jerseyside | Shannie Duff, Vice Chair | St. John's |
| Dominic Lundrigan | Burin | Roy Dawe | Cupids |
| Kim Blanchard | St. John's | Joan Anderson | Makkovik, Labrador |
| Doug Wells | Harbour Breton | Mike Paterson | Upper Amherst Cove |
| Sandra Wheeler | Corner Brook | Frank Crews | Grand Bank |
| Jerry Dick, TCR | St. John's | | |

HFNL staff: George Chalker, Executive Director; Dale Jarvis, Intangible Cultural Heritage Researcher; Madonna Sullivan, Financial Manager; Andrea O'Brien, Outreach Officer/ Church Inventory Officer, and Nicole Penney, Public Folklore Intern.

Labrador - Cultural Outreach Officer:

A Provincial Cultural Outreach Position was developed for Labrador. This position, administered by the Newfoundland and Labrador Arts Council, encompasses both "arts" and "heritage". Donna Roberts, Cultural Outreach Officer, can be reached at (709) 896-9565 and works from Happy Valley-Goose Bay.

Contact Information:

HFNL located at 1 Springdale Street may be contacted at P.O. Box 5171, St. John's, NL, A1C 5V5; email at info@heritagefoundation.ca, by phone at (709) 739-1892, toll free at (888) 739-1892 or fax (709) 739-5413. The Foundation's web site is at www.heritagefoundation.ca.

Vision:

The Vision of the Heritage Foundation of Newfoundland and Labrador 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 2011-17:

The mission statement identifies the priority focus areas of the Foundation over the next two planning cycles. It represents the key long-term results that the Foundation and the Board will be working towards as they move forward on the Strategic Directions of Government. The

statement also identifies the measure(s) and indicator(s) that will assist both the entity and the public in monitoring and evaluating success.

The Foundation 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 of 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.

Measure: Historic places are conserved, protected and commemorated; and intangible cultural heritage is safeguarded.

Indicators:

- Included the Modern Architectural Style into the Heritage Designation Program by establishing criteria for designation of Modern Architecture;
- Promoted the conservation of ecclesiastical structures by designating church structures that are important by way of architecture and history as it relates to the province’s Heritage and commemorate these church structures with a Registered Heritage Structure Plaque; and,
- Implemented key objectives of its updated Intangible Cultural Heritage Strategy to safeguard its Intangible Heritage.

Goals – 2011-14

Significant heritage structures, inshore fisheries infrastructure, ecclesiastical and our traditions and traditional arts throughout the province are at risk. These tangible and intangible heritage resources mark our cultural identity, define the character of our communities and are landmarks of our history. Much of this remarkable heritage is being lost with each passing year, and much more of it is threatened. Once these heritage resources vanish, they cannot be replaced. The Foundation is working to preserve, protect and strengthen the province’s tangible and intangible heritage.

The following goals represent the focus of the Board for the fiscal year 2011-2014 and include measure and indicators to assist the entity and the public in monitoring and evaluating success.

ISSUES

Goal 1

The mandate of the HFNL is to ensure that the built architectural heritage of the province is conserved, protected and commemorated. The Foundation has since its inception concentrated on structures of the 19th and 20th century. It is now appropriate that the built heritage of the Modern Architecture of the province be included in this protection and commemoration. This goal is in line with the strategic direction of Government to ensure that Newfoundland and Labrador’s distinctive tangible cultural heritage is preserved.

Goal

By March 31, 2014 the Heritage Foundation of Newfoundland and Labrador will have broadened its Registered Heritage Structure Program.

Measure

Broadened the Registered Heritage Structure Program.

Indicators

- Identified structures built in the Modern Architectural Style;
- Inventoried the Modern Architectural Style architecture in the province;
- Launched a publication as it relates to the Modern Architectural Style;
- Modified designation criteria to include the Modern Architectural Style;
- Promoted by way of advertisement and public education the importance of the Modern Architectural Style of architecture; and,
- Designated a structure built in the Modern Architectural Style.

Objective 2012

By March 31, 2012 the Heritage Foundation of Newfoundland and Labrador will have identified structures built in the Modern Architectural Style by way of an inventory, and launched a publication as it relates to the Modern Architectural Style.

Measure

Identified by, way of an inventory, structures built in the Modern Architectural Style and launched a publication as it relates to the Modern Architectural Style.

Indicators

- Identified structures built in the Modern Architectural Style;
- Inventoried the Modern Architectural Style architecture in the province; and
- Launched a publication as it relates to the Modern Architectural Style.

Indicator Reporting 2011-2012

HFNL worked with and financially supported Dr. Robert Mellin in identifying structures built in the Modern Architectural Style and in compiling an inventory of modern structures throughout the province. The inventory contains the name and location of approximately 80 structures built in the Modern Architecture Style and highlights 46 of these structures that deserve special consideration or buildings which should be a priority for designation due to particular situations i.e. in threat of demolition.

Dr. Mellin used this information to publish a book entitled “NEWFOUNDLAND MODERN Architecture in the Smallwood Years 1949-1972”. This publication is about the modern architecture that coincided with Premier Joseph Smallwood’s administration. The collection of structures in the publication include Beth El Synagogue, the Arts and Culture Centre, the Confederation Building, Bowring’s Department Store and Parking Garage, the Marine Science Building, the Holiday Inn and the Smallwood Residence on Roaches Line just to mention a few.

HFNL in partnership with Dr. Robert Mellin, identified structures built in the Modern Architectural Style; inventoried the Modern Architectural Style architecture in the province and supported Dr. Mellin financially in the publication as it relates to the Modern Architectural Style. HFNL has met Objective I and its indicators and there are no variances.

Objective 2013

By March 31, 2013, the Heritage Foundation of Newfoundland and Labrador will have modified its designation criteria to include Modern Architectural Style and educated the public on the importance of this style.

Measure

Modified its designation criteria to include the Modern Architectural Style and educated the public on the importance of this style.

Indicators

- Modified its designation criteria and application forms to include the Modern Architectural Style;
- Advertised by way of public announcements in the media the importance of structures built in the Modern Architectural Style; and,
- Advertised by public announcements that HFNL will be accepting applications for structures built in the Modern Architectural Style.

Goal 2

The most vibrant and architectural important structures in any community in the province are the ecclesiastical structures. Many of these church structures date from the mid 19th century and due to the decline in rural population and decline in congregations, these structures are the ones most in jeopardy. These ecclesiastical structures also fall under the mandate of HFNL which is to ensure that the built architectural heritage of the province is conserved, protected and commemorated. This goal is in line with the strategic direction of Government to ensure that Newfoundland and Labrador’s distinctive tangible cultural heritage is preserved.

Goal

By March 31, 2014 the Heritage Foundation of Newfoundland and Labrador will have identified options to move forward in addressing the challenges for the sustainability of the Province’s Historical Ecclesiastical Structures.

Measure

Identified options to move forward in addressing the challenges for the sustainability of the Province’s Historical Ecclesiastical Structures.

Indicators

- Surveyed issues surrounding the sustainability of the Province’s Historical Ecclesiastical Structures;
- Completed the inventory of ecclesiastical structures throughout the province;
- Developed and implemented classification mechanisms for historical ecclesiastical

- structures;
- Identified mechanisms /strategies for preserving historic churches;
- Developed advisory services to owners of historical ecclesiastical structures; and,
- Developed pilot strategies for the preservation of historical ecclesiastical structures.

Objective 2012

By March 31, 2012 the Heritage Foundation of Newfoundland and Labrador will have surveyed issues surrounding the sustainability of the Province’s Historical Ecclesiastical Structures; completed the inventory of ecclesiastical structures throughout the province and developed and implemented classification mechanisms for historical ecclesiastical structures.

Measure

Surveyed issues surrounding the sustainability of the Province’s Historical Ecclesiastical Structures; completed the inventory of ecclesiastical structures throughout the province, and implemented classification mechanisms for historical ecclesiastical structures.

Indicators

- Surveyed issues surrounding the sustainability of the Province’s Historical Ecclesiastical Structures;
- Completed the inventory of ecclesiastical structures throughout the province; and,
- Developed and implemented classification mechanisms for historical ecclesiastical structures.

Indicator Reporting 2011-2012

HFNL met with officials from the Gower Street United Church Council, the Roman Catholic Diocese of Eastern Newfoundland and the Anglican Diocesan Synod of Eastern Newfoundland and Labrador in November 2011 to deal with critical issues with Church preservation and HFNL requirements, as well as ideas for HFNL to serve the needs of groups that own/manage historic church structures.

HFNL Board members met on December 9 and 10, 2011 to discuss the questions surrounding the preservation of the provinces ecclesiastical structures. A paper on HFNL Discussion Questions on Church Heritage Preservation dealt with issue of resistance to HFNL Easements; expanded services/expertise that the Foundation could provide to churches; funding for Heritage Church Preservation and the protocol for divestment of churches (recommendations/options for churches when owners are considering divestment). HFNL completed the inventory of ecclesiastical structures throughout the province with over 900 churches documented and over 700 accessible for public viewing on the Heritage Foundation’s website www.heritagefoundation.ca.

HFNL developed and implemented classification mechanisms for historical ecclesiastical structures. Ecclesiastical structures are given a classification rating of level 1, 2, or 3 with level 1 being the most important. Each classification deals with the architecture, age, association by individual or event, as well as the retention of artefacts such as stained glass windows, liturgical vessels and furnishings.

HFNL has surveyed issues surrounding the sustainability of the Province’s Historical Ecclesiastical Structures; completed the inventory of ecclesiastical structures throughout the province; and, developed and implemented classification mechanisms for historical ecclesiastical structures and, therefore has met Objective 2 and its indicators and there are no variances.

Objective 2013

By March 31, 2013 the Heritage Foundation of Newfoundland and Labrador will have identified mechanisms/strategies for preserving historic churches and developed advisory services to owners of historical ecclesiastical structures.

Measure 2013

Identified mechanisms/strategies for preserving historic churches and developed advisory services to owners of historical ecclesiastical structures.

Indicators

- Identified mechanisms/strategies for preserving historic churches; and,
- Developed advisory services to owners of historic ecclesiastical structures.

Goal 3

As lifestyles and the economy change, traditional knowledge is at risk of being lost. To ensure that the intangible heritage is not lost to future generations, it is important to record and document them while those with the knowledge are still able to do so. The linkage between tangible and intangible will ensure that the stories related to structures, places and objects will be recorded. This goal is in line with the strategic direction of Government to ensure that Newfoundland and Labrador’s distinctive tangible and intangible heritage resources are preserved, safeguarded and supported for the benefit of present and future generations; and to maximize their impact on sustainable tourism and community development.

Goal

By March 31, 2014 the Heritage Foundation of Newfoundland and Labrador will have addressed key challenges around best practices in ICH documentation and around fostering stronger connections between Intangible and Tangible Cultural Heritage.

Measure

Addressed key challenges around best practices in ICH documentation and around fostering stronger connections between Intangible and Tangible Cultural Heritage.

Indicators

- Identified key challenges around best practices in documentation for the inventory of Intangible Cultural Heritage (ICH);
- Increased components of ICH included on MUN’s digital archive (DAI);
- Targeted training sessions to community groups engaged in ICH documentation; and,
- Explored potential initiatives with the Department of Education to enhance outreach to schools through the development of ICH-related curriculum and involvement of tradition-bearers in school programming.

Objective 2012

By March 31, 2012 the Heritage Foundation of Newfoundland and Labrador will have identified key challenges around best practices in documentation for the inventory of Intangible Cultural Heritage.

Measure

Identified key challenges around best practices in documentation for the inventory of Intangible Cultural Heritage.

Indicator

- Identified key challenges around best practices in documentation for the inventory of Intangible Cultural Heritage.

Indicator Reporting 2011-2012

The ICH office prepared a report on key challenges in the community conservation of Intangible Cultural Heritage in Newfoundland and Labrador. The report focussed on three key challenges: public awareness and training; the creation of an ICH inventory process; and, recording standards and ethics. Preserving Intangible Cultural Heritage (ICH) within a community context face many challenges so there is a need to collect, document and archive cultural information. This collecting, documenting and archiving must be balanced by the ability of those tradition bearers, groups and communities to share, use, re-shape, and transmit such information. The mandate to collect information and the desire to share it online necessitate strong standards and guidelines.

The implementation of standards and guidelines impact how community collectors are trained, and ensure material is presented back to the public in professional and accessible formats. All of these things together strengthen the understanding of the value of ICH at the grass-roots level. The report is available at: www.mun.ca/ich/ICH_hurdles_and_challenges.pdf.

HFNL, through its ICH Program, identified key challenges around best practices in documentation for the inventory of Intangible Cultural Heritage and, therefore has met Objective 3 and its indicator and there is no variances.

Objective 2013

By March 31, 2013 the Heritage Foundation of Newfoundland and Labrador will have increased components of ICH included on MUN's digital archive (DAI) and targeted training sessions to community groups engaged in ICH documentation.

Measure

Increased components of ICH included on MUN's digital archive (DAI) and targeted training sessions to community groups engaged in ICH documentation.

Indicator

- Increased components of ICH included on MUN's digital archive (DAI); and,
- Targeted training sessions to community groups engaged in ICH documentation.

3.0 Lines of Business

To fulfil its mandate the Foundation delivers the following programs:

1. 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 Foundation 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.

The Registered Heritage Structure Designation Program and the Registered Heritage Structure Granting Program are application driven – applicants can request an application from the Foundation or can download an application from the Foundation’s website at www.heritagefoundation.ca. A structure must be designated as a Registered Heritage Structure before its owner is eligible to apply for a Registered Heritage Structure Grant. The grant, administered on a 50/50 cost-shared basis, can cover up to 50 percent of the cost of preservation measures and/or restoration of exterior features only. The deadline for the receipt of application for the designation and granting program is March 1st and August 15th.

Applications are reviewed by the Heritage Preservation Committee consisting of staff and a number of Board of Directors. This committee makes recommendations to the Board at the two Board meetings held each year to review applications. The Board will either adopt the recommendations of the committee or make other recommendations. Once an application is voted upon by the Board of Directors, the successful applicants are sent a contract and guidelines for the restoration of their property. The unsuccessful applicants are sent a letter explaining the reason(s) they were unsuccessful.

The Registered Heritage Structure Maintenance Granting Program is also application driven, but can only be applied for by Registered Heritage Structures owners who have had their restoration grants for a minimum period of 5 years. These maintenance grants (maximum of \$2,000) can be applied for at any time during the year and are administered on a 50/50 cost-shared basis and can cover up to 50 percent of the cost of maintenance measures of exterior features only. Owners of Registered Heritage Structures can apply for a maintenance grant every five years

The benefits of designation include provincial recognition of the structure with the installation of a 5"x10" bronze plaque on the outside of the building to indicate its heritage significance, and listed on the Provincial Registry of Historic Places, which is then listed on the Canadian Register of Historic Places (CRHP).

Designation and plaquing program for heritage districts

Historic districts are geographically defined areas which create 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 application process is an open, public process in which interested parties are invited to suggest districts for consideration by the HFNL Board of Directors. Applications can be obtained from the Foundation’s office. Information about this program can be viewed at www.heritagefoundation.ca.

The Registered Heritage District Designation is commemorative only at this time 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*. The designation does not impose any legal obligations on the owner(s) of structures and properties in the Registered Heritage District. The Foundation is working toward providing greater services to perspective communities asking to avail of the Registered Heritage District Program.

2. Granting program for fishery related buildings

The Fisheries Heritage Preservation Program (FHPP) is a small-project restoration grant program which provides funding to individuals, municipalities, community and non-profit 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.

The FHPP is an application driven program – applications can be obtained from the Foundation’s office or downloaded from the Foundation’s website at www.heritagefoundation.ca. Applications are reviewed by a peer committee who selects the projects which qualify for a cost-shared 50/50 restoration grant. Information on this program can also be obtained at www.fisheriesheritage.ca.

3. Educational Role/sponsorship role:

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

The Foundation sponsors a number of initiatives such as Tidy Towns of Newfoundland and Labrador, Newfoundland Historic Trust Southcott Awards and Doors Open NL.

The Foundation also houses the Provincial Intangible Cultural Heritage Program (ICH). The ICH Program will preserve, strengthen and celebrate Newfoundland and Labrador’s distinctive tangible and intangible cultural heritage. ICH comprises information in the form of traditional knowledge, beliefs and skills. Preserving intangible cultural heritage is vital to sustaining the province’s innate creativity and sense of identity.

Since 2008, HFNL has been working to safeguard and sustain the Intangible Cultural Heritage of Newfoundland and Labrador for present and future generations everywhere, as a vital part of the identities of Newfoundlanders and Labradoreans, and as a valuable collection of unique knowledge and customs. This is being achieved through policies that support 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, administers the provincial folklife festival, and works to identify, inventory, and conserve traditions and bodies of knowledge that are under threat.

HFNL is involved with an initiative pertaining to 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 have their own co-ordinator and are housed with the Newfoundland Historic Sites Association. The Foundation 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.

4. **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 Tourism, Culture and Recreation. This legislative mandate has now been assumed by the HFNL. The Registry has become the Heritage Foundation's "portal to the public" of not only Newfoundland and Labrador, but anyone schooled in the knowledge of the internet.

The *Standards and Guidelines for the Conservation of Historic Places in Canada* 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 Heritage Foundation 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.

Other Program Involvement:

Intangible Cultural Heritage:

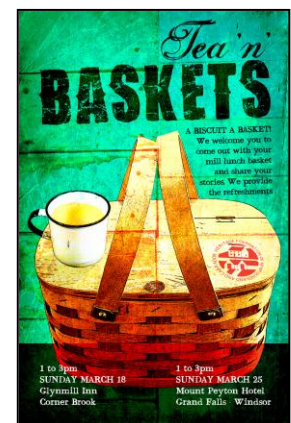
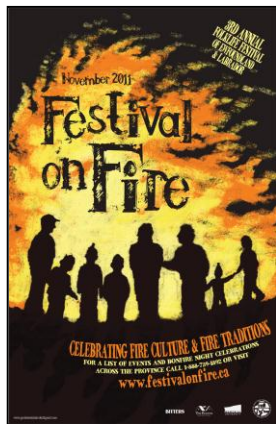
According to the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage, the intangible cultural heritage – or living heritage – is the mainspring of our cultural diversity and its maintenance a guarantee for continuing creativity. These intangible pieces of our heritage relate to local traditions, and are passed on by word of mouth or imitation from

generation to generation. This living knowledge adapts and changes, and unlike a building, if it's neglected for a generation, it can never be restored. Preserving ICH is vital to sustaining a community's innate creativity and sense of identity.

In 2011, the ICH office coordinated a root cellar research project. HFNL documented, photographed, measured and sketched over 400 root cellars, which were all added to Memorial University's Digital Archives Initiative. ICH also partnered with the Department of Folklore, Public Folklore 6740 class to organize three Bonfire Night related events: the "Playing with Fire" variety show, community bonfire inventory, and Coffee and Culture at The Rooms.

On Saturday, March 17th, at Grenfell College in Corner Brook, HFNL hosted a forum and presentation on Mi'kmaw and Acadian spruce root and ash baskets, with visiting Mi'kmaw elders Margaret Pelletier and Della Maguire, traditional ash basket makers from Nova Scotia, and Newfoundland basket makers Eileen Murphy and Helga Gillard. The forum brought together artisans, elders, and craft producers to talk about the issues surrounding basket making, a tradition currently in a state of change in the region.

Workshops on documenting ICH were presented in Corner Brook and Grand Falls-Windsor. These workshops gave a background on how to conduct research interviews in the field, and gave people a chance to try their hand at creating interview questions and conducting an interview. They provided an overview of the methodology and the practical matters of creating, designing, and executing effective oral history research projects. Topics covered also included project planning, ethical issues, and recording equipment.



Ecclesiastical District of St. John's:



The Heritage Foundation of Newfoundland and Labrador and the city of St. John's made an application in 2002 to the Historic Sites and Monuments Board of Canada to have an area of St. John's recognized as an **Ecclesiastical District**. This area is unique because it includes some of the province's most important 19th century "mother churches", including representatives from most major denominations prevalent in Newfoundland.

The St. John's Ecclesiastical District was declared a National Historic Site by the Federal Minister of the Environment responsible for Canadian Heritage, the Honourable John Baird in April 2008. On September 30, 2010, during the Heritage Canada Conference, the St. John's Ecclesiastical District National Historic Site Commemoration Ceremony was organized by Parks Canada. This extraordinary collection of ecclesiastical and fraternal buildings reflects the pivotal role of the churches in St. John's society for more than 175 years.

The St. John's Ecclesiastical District which includes the mother churches of the predominate faiths in Newfoundland is in jeopardy of losing two of its prominent congregations due to declining attendance and the cost of maintenance and upkeep which may put the future of two prominent structures at risk.

Church Inventory Program: HFNL has conducted a survey of churches and church-related buildings in the province. This inventory will be used for archival purposes and will serve as a record of the religious built heritage in the province. HFNL has documented over 900 church related buildings and has populated the PRHP with over 700 of these structures. HFNL will continue to populate the inventory to include all church related buildings documented. This inventory is accessible on the HFNL website at www.heritagefoundation.ca.

Registered Heritage Structure Designation Program Recipients:

The Foundation has the authority to designate buildings and other structures as Registered Heritage Structures. The benefits of designation to individuals or groups include eligibility for grants, provincial recognition of the structure and plaquing of the building to indicate its significance. The following is a list of structures designated in the fiscal year 2011 - 2012.

- Bonavista – Frederick Harris House**
- Boyd’s Cove – Pelley Manor**
- Heart’s Content – Hayfield Memorial United Church**
- Hopedale – Moravian Mission Complex**
- Old Bonaventure – St. Luke’s Anglican Church**
- Twillingate (Durrell) – Jenkins House**



Pelley Manor – Boyd’s Cove



Moravian Mission Complex – Hopedale, Labrador



Heyfield Memorial United Church -Heart' s Content

Registered Heritage Structure Grant Program Recipients:

This program provides financial assistance to owners of structures designated as Registered Heritage Structures by the Foundation. The following structures were approved for these grants for the fiscal year 2011 - 2012:

| | |
|---|----------------------|
| Belleoram – Cluett Residence | 1,906.73 |
| Bonavista – Frederick Harris House | \$ 30,000.00 |
| Heart’s Content – Hayfield Memorial United Church | 30,000.00 |
| Hopedale – Moravian Mission Complex | 30,000.00 |
| Old Bonaventure – St. Luke’s Anglican Church | 30,000.00 |
| St. John’s – Gower Street United Church | 30,000.00 |
| St. John’s – Kelvin House | 22,913.66 |
| St. John’s – Masonic Temple | 30,000.00 |
| St. John’s – The Lodge at Sunnyside | 30,000.00 |
| St. John’s – The Stable at Sunnyside | 27,000.00 |
| Twillingate (Durrell) – Jenkins House | <u>20,000.00</u> |
| Total | \$ 281,820.39 |

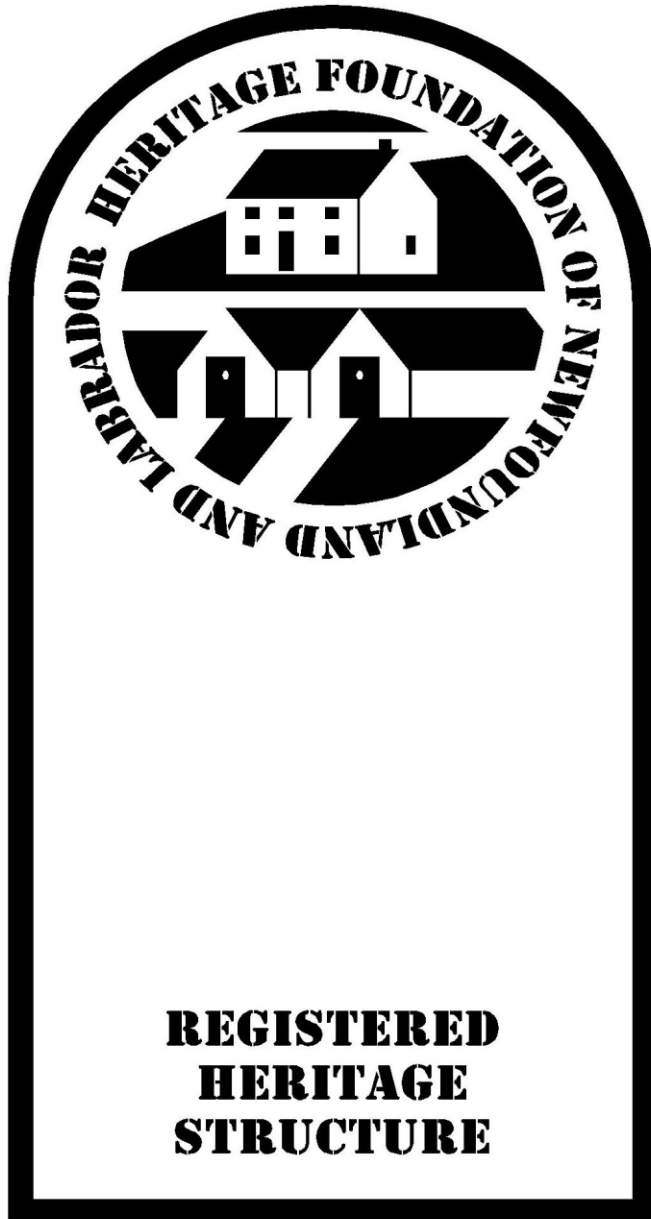


St. John's Masonic Temple

Registered Heritage Structure Maintenance Grant Program:

Maintenance Grants were approved to Registered Heritage Structures which have already received their maximum restoration grant under the Registered Heritage Structure Grants Program and which have an easement in place. Properties are eligible only after a minimum of five years have elapsed since the final payment of their Registered Heritage Structure Grant. The maintenance grants are also cost shared on a 50/50 basis to a maximum grant of \$2,000 per structure. This past fiscal year HFNL approved \$11,850 in maintenance grants for its Registered Heritage Structures.

Registered Heritage Structure Plaque Recipients:



Structure owners receive a Heritage Foundation plaque upon completion and inspection of their restoration activities. The plaque is bronze with the logo of the Foundation, the name and date of construction of the structure, as well as denoting the structure's status as a Registered Heritage Structure.

HFNL has undertaken an inventory of buildings that have been plaqued since inception to determine (a) if all Registered Heritage Structures have the new bronze plaque (b) the condition of the bronze plaques, and (c) to determine if the structures plaqued have changed owners, and if so the names and contact of the new owners.

Summary of Achievements:

Every dollar provided by the Heritage Foundation through its granting program has leveraged, on average, an eight-dollar infusion by private individuals and organizations restoring heritage structures. Restoration of heritage structures has generated local employment, material purchases, and increased tourist activity.

Through the **Registered Heritage Structure Designation Program** and the **Registered Heritage Structure Grants Program** the Foundation, since its inception, designated 356 structures as Registered Heritage Structures and approved approximately **\$2,818,524** in restoration funding, resulting in a spin-off economic effect of over **\$22,548,000**. The Foundation has also plaqued 211 structures through its **Registered Heritage Structure Plaquing Program**.

The Foundation promotes the adaptive reuse of existing buildings thereby inherently conserving our natural resources. Preservation reduces the enormous quantities of refuse ending up in our landfills, as well as energy consumed in the construction of new buildings, while conserving the energy and cultural heritage embodied in our existing buildings.

The Masonic Temple in St. John’s is a good example of the adaptive reuse of an existing building. Originally constructed as the headquarters of a fraternal organization, the building has now been given new life as the head office and box office of Spirit of Newfoundland. The building is also available as rental space for events.

This past fiscal year the Foundation disbursed \$107,793.46 in Registered Heritage Structure/Maintenance Grant monies, of which \$103,793.46 went to the restoration of structures in rural Newfoundland and Labrador. This \$107,793.46 saw an infusion of approximately \$862,348 by private individuals and organizations.

The Foundation has encouraged the reuse of structures as bed and breakfast establishments, museums, art galleries, craft stores and office space. Private individuals have, by way of encouragement from the Foundation, restored and reused structures as private residences. This year the HFNL designated and/or approved Registered Heritage Structure Grants for six private residences, one theatre/commercial buildings, three religious institutions, one museum and a Moravian Mission Complex consisting of 8 structures. Maintenance Grants were also approved to existing Registered Heritage Structures which have been restored in previous year by a RHS Grant. Six structures have been awarded a Maintenance Grant this fiscal year – 2 residences, 1 parish hall, 1 commercial building, 1 restored one-room school house, and 1 restored chapel/school house.

HFNL's Intangible Cultural Heritage program continues to strengthen links between tangible and intangible heritage and tourism. In 2011, HFNL ran its third folklife festival, with the theme of agricultural heritage. When HFNL surveyed a couple of community groups in the greater St. John’s area, there was a large concern about the loss of agricultural knowledge and practices. As a result, the ICH office coordinated events with a number of the groups in the Northeast Avalon area to promote the historical background of agriculture, and the contemporary movements that are active in the area. Research was conducted,

photographing, measuring, and drawing root cellars, as well as conducting interviews with root cellar owners and farming families, and a public forum on food, folklore, and tourism was held.

The ICH office also continues to support Aboriginal culture, serving on the jury for the Aboriginal Cultural Heritage Program, and providing assistance to aboriginal groups where possible. In March, 2012, HFNL organized research and presentations around the tradition of basket making, hosting a special talk and presentation on Mi'kmaw and Acadian spruce root and ash baskets, with visiting Mi'kmaw elders Margaret Pelletier and Della Maguire, traditional ash basket makers from Nova Scotia, and Newfoundland basket makers Eileen Murphy and Helga Gillard.

Cultural industries and organizations are supported through workshops, training sessions, and through partnering on initiatives with organizations such as the Wooden Boat Museum, the Archives Association and the Museums Association.

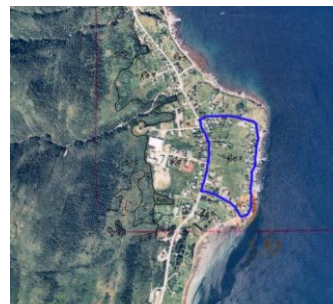
Registered Heritage Districts Program:

The Heritage Foundation of Newfoundland and Labrador Registered Heritage Districts program was established to commemorate geographically defined areas in the province which create 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. HFNL is proposing an expanded role in order to assist communities with designated Heritage Districts to adequately project their heritage assets and to use them for community development and revitalization.

The Heritage Foundation has officially designated four Registered Heritage Districts, Tilting, Woody Point, Port Union and this fiscal year saw Heart's Content given official designation. Tilting contains one of the best collections of fisheries-related structures (stages and stores) in the province that have great potential for tourism-related development. Port Union -- the only purpose-built union town in Canada -- has a large collection of commercial, industrial and worker's housing and needs a long-term, comprehensive strategy to preserve and develop its heritage assets. Woody Point, with its attractive 19th-early 20th Century heritage landscape, has great potential to expand its tourism base with its location within Gros Morne National Park. Heart's Content is an example of a rural town which was drastically affected by technology notably the telegraph. Heart's Content acted as the main link in communication between North America and Europe. With this technology came an influx of trained telegraph operators from England who brought with them their educational, social and sporting traditions, which changed the character and face of Heart's Content. The Cable Station has been interpreted as a Provincial Historic Site.



Woody Point Registered Heritage District



Summary of achievements... cont'd

The **Fisheries Heritage Preservation Program (FHPP)** was created by the Foundation to provide funding to preserve examples of stages and stage heads, fish stores, flakes and other unique cultural landscape features associated with our fishing industry. HFNL started with five pilot projects in 2002 and has since approved approximately \$428,603 in grants to private owners, communities and non-profit groups to restore stages, stores, flakes, lofts and other buildings associated with the fishery in Newfoundland and Labrador.

The FHPP received monies again this year from the Department to continue with this very worthwhile project. \$26,920 was approved in restoration grants to help preserve the fisheries heritage of buildings in communities such as Bide Arm, Dead Islands, Lab, Dildo, Hare Bay, Joe Batt's Arm, Pacquet, St. Lewis Labrador, Square Islands, Labrador, Triangle, Labrador, and Trinity.



The Foundation's Fisheries Heritage Website www.fisheriesheritage.ca gives people the opportunity to learn more about our Fisheries Heritage. This website contains a variety of images, text and links related to our fisheries heritage architecture and features all projects completed under the FHPP.

Heritage Fairs: The Historica Fairs Programme celebrates Canadian history and culture through projects presented to the public, across Canada, by students in Grades 4 through 9. The Programme is supported nationally by Historica, a non-profit organization dedicated to preserving and promoting Canadian heritage. In Newfoundland and Labrador, schools hold Fairs and select representatives to participate in 1 of 8 Regional Fairs across the province with thousands of students participating in the program annually. Their projects, which range from personal family histories to major Newfoundland and Labrador and Canadian historical events, reach over 40,000 people each year. Heritage groups also showcase their work at the Regional Fairs. Each Regional Fair then selects 1 or 2 students to represent them at the National Historica Camp held each July in a different province every year. HFNL financially supports the annual Fairs each year. Staff of HFNL sit on the Heritage Fairs Programme Committee and also act as judges for the Fair.

Newfoundland Historic Trust Southcott Awards - The Southcott Awards are named for one of the most important nineteenth century Newfoundland building firms: J. and J.T. Southcott and are intended to recognize those who have undertaken restoration work and through the illustrations of these projects, show others what can be done with our architectural resource.

From 1984 to 2011, 78 of the Foundation’s Registered Heritage Structures have been awarded Southcott Awards by the Newfoundland Historic Trust. One of this year’s recipients was the Loyal Orange Lodge #4 in Bonavista which was designated a Registered Heritage Structure in 2007.

The HFNL provided a financial contribution to the Historica Fairs Programme, and the Newfoundland Historic Trust Southcott Awards. These programs are educational initiatives designed to increase awareness of and interest in the “heritage” of the province.

The Foundation undertakes a number of other activities geared towards the preservation of the province’s architectural heritage: awareness raising; education and outreach; technical expertise to property owners; professional expertise to a variety of committees; policy advice to all three levels of government, and general leadership in the heritage community.

HFNL introduced the *Doors Open Program* to the province. Doors Open is a unique opportunity for the citizens and visitors of Newfoundland and Labrador to tour buildings that are normally closed to the public or charge an entrance fee. Participants of Doors Open welcome visitors to look around for free. It served as an incubator for the program since its inception, but this fiscal year HFNL turned the Doors Open Program over to the Newfoundland Historic Trust, which is a volunteer organization and is better suited to the delivery of the program. HFNL provided financial assistance to the Trust for the delivery of the Doors Open Program.

Heritage Day Poster Contest

The HFNL celebrated national Heritage Day on Monday, February 20th at the Fluvarium. Representatives from the education and heritage communities, along with representatives from municipal and provincial government, joined HFNL as the winners of this year’s provincial Heritage Places Poster Contest were announced.

Over 1400 students from 85 schools across the province produced submissions for the contest. This contest was open to all schools in the province, and was organized through HFNL. The winning submission is part of the Foundation's poster promoting Heritage Day in Newfoundland and Labrador.

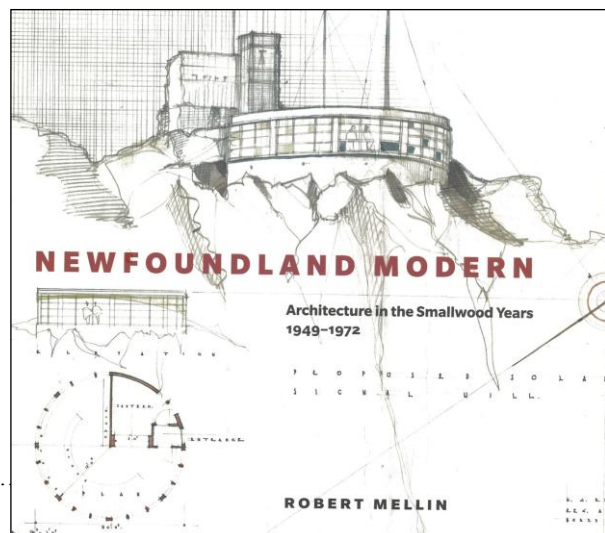
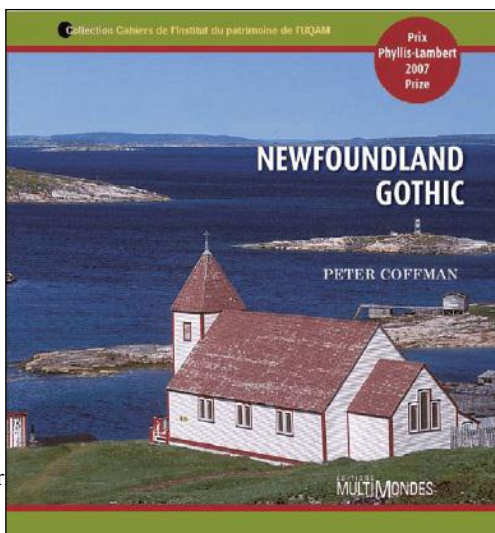
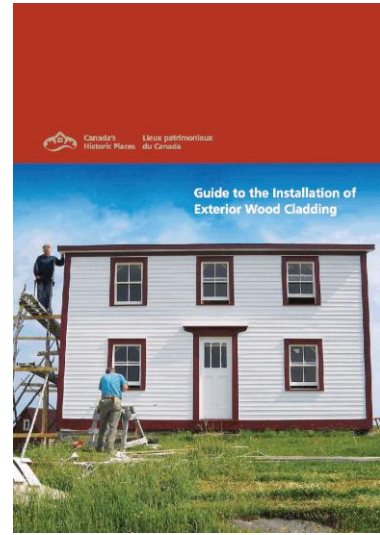
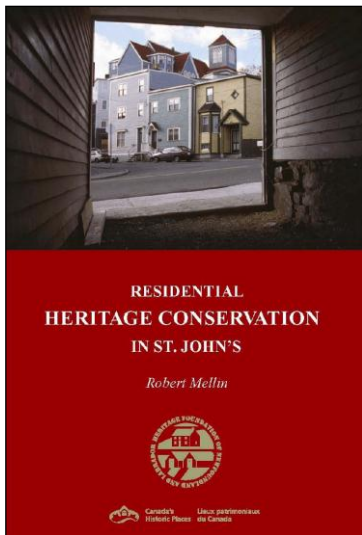


Katie Butt, a grade 6 student at St. Francis School, Harbour Grace, submitted the overall winning submission. The winning submissions at the other grade levels were: Primary – Stephanie Skinner, Grade 3, Jakeman All Grade, Trout River; Junior High – Stephen MacDonald, Grade 7, St. Francis School, Harbour Grace and, Senior High – Amanda Whalen, Grade 10, Holy Spirit High School, Manuels, CBS.

Katie Butt with Deputy Minister Judith Hearn and Kenneth Flynn, Chair, HFNL

Publications - Brochures & Booklets

The Foundation distributed brochures and other promotional materials to educate municipalities as well as the general public on the different aspects of the HPI Program. The Foundation developed the brochure **Guide to the Installation of Exterior Wood Cladding** to promote the proper installation of wood cladding: The **Registered Heritage District Brochure** was developed to educate communities on the designation process for Registered Heritage Districts and the **Municipal Designation of Cemeteries and the Historic Places Initiative Brochure** serves as a guide to the steps involved in designating a cemetery. **Conserving our Fisheries Heritage Brochure** explains the steps for conserving our fishery buildings, flakes, wharves, stages, etc.; NEWFOUNDLAND MODERN Architecture in the Smallwood Years 1949-1972 identifies structures built in the Modern Architectural Style that coincided with Premier Joseph Smallwood’s administration – HFNL financially supported the publication of this book.



Her

Opportunities and Challenges Ahead:

Ecclesiastical Structures:

This year the Foundation continued with their Church Survey which will be used for archival purposes and will serve as a record of the religious built heritage in the province. With a diminishing population/congregation many of our rural churches are unable to continue to remain open. This puts in jeopardy an important element of Newfoundland and Labrador's historical architecture. HFNL will work with the Department of Tourism, Culture and Recreation to review options to ensure the survival of these architectural gems throughout Newfoundland and Labrador.

HFNL worked with government to optimize the adaptive reuse of structures of historical and architectural importance. This past year the provincial government permitted the Foundation to redirect a portion of previous Fisheries Heritage grant monies to allow the Foundation to complete the Ecclesiastical Inventory and to devise a rating methodology to record the most important ecclesiastical structures. Once this rating is complete and the most important ecclesiastical structures are identified, the Foundation can then provide these structures with restoration grants. The Foundation is presently working with government to put in place criteria to deal with these structures in the future.

Registered Heritage Districts:

One opportunity for the Foundation in the future is the expansion of the Registered Heritage Districts Program. There are several more communities in Newfoundland and Labrador which the Foundation has identified as having potential RHD. The Foundation is looking forward to working with these communities to identify and develop their heritage resources.

This opportunity also poses challenges for the Foundation. The Registered Heritage District Program is a long and complex process and can take up to two years of consultation between Foundation staff and the community before an application is ready to be processed by the HFNL Committee and Board. The RHD Program is presently commemorative only, and because there is no money associated with the program, some communities may not develop their potential districts due to lack of resources. The possibility exists that these potential heritage districts will be lost to the elements and/or new construction.

To date the Foundation has designated four Registered Heritage Districts - Tilting, Port Union, Woody Point and Heart's Content. Port Union, Tilting and Woody Point have both been officially plaqued with a bronze plaque, and a highway sign was erected at the entrance to the Town of Tilting denoting it as the Registered Heritage District.

The Foundation is moving forward with the Registered Heritage Districts Program; however, the program is still at the stage of being commemorative only. The Foundation is also working to develop a proposal to offer services to communities with Registered Heritage Districts that would assist them in developing and implementing heritage protection measures, in planning for the adaptive reuse of buildings and in undertaking enhancements of public infrastructure.

**HERITAGE FOUNDATION OF
NEWFOUNDLAND AND LABRADOR**

FINANCIAL STATEMENTS

31 MARCH 2012

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.

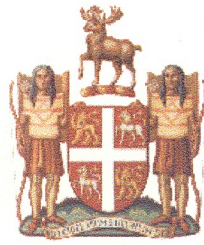


George Chalker
Executive Director



Madonna Sullivan
Financial Manager

19 September 2012



OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

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 31 March 2012, 31 March 2011, and 1 April 2010, the statements of operations and accumulated surplus, change in net financial assets, and cash flows for the years ended 31 March 2012 and 31 March 2011, 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.

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 31 March 2012, 31 March 2011 and 1 April 2010, and its financial performance and its cash flows for the years ended 31 March 2012 and 31 March 2011 in accordance with Canadian public sector accounting standards.



TERRY PADDON, CA
Auditor General

19 September 2012
St. John's, Newfoundland and Labrador

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
STATEMENT OF FINANCIAL POSITION**

As at

| | 31 March 2012 | 31 March 2011 | 1 April 2010 |
|---|-------------------|-----------------------------------|----------------------|
| | | Restated (Note 2) (Note 22) | Restated (Note 2) |
| FINANCIAL ASSETS | | | |
| Cash | \$ 145,532 | \$ 27,869 | \$ 73,723 |
| Portfolio investments (Note 6) | 1,381,890 | 1,408,543 | 1,151,210 |
| Accounts receivable (Note 7) | 42,057 | 37,124 | 54,571 |
| | 1,569,479 | 1,473,536 | 1,279,504 |
| LIABILITIES | | | |
| Accounts payable and accrued liabilities (Note 8) | 60,616 | 51,331 | 35,410 |
| Employee future benefits (Note 9) | 74,640 | 67,411 | 61,934 |
| Deferred revenue (Note 10) | 1,013,380 | 885,443 | 760,233 |
| | 1,148,636 | 1,004,185 | 857,577 |
| Net financial assets | 420,843 | 469,351 | 421,927 |
| NON-FINANCIAL ASSETS | | | |
| Tangible capital assets, net (Note 11) | 4,619 | 14,746 | 28,281 |
| Prepaid expenses | 383 | 383 | 374 |
| | 5,002 | 15,129 | 28,655 |
| Accumulated surplus (Note 12) | \$ 425,845 | \$ 484,480 | \$ 450,582 |

Commitments (Note 16)

*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 AND ACCUMULATED SURPLUS**

For the Year Ended 31 March

| | 2012 Budget | 2012 Actual | 2011 Actual |
|---|------------------------|------------------------|-----------------------------------|
| | (Note 18) | | Restated (Note 2) (Note 22) |
| REVENUES | | | |
| Province of Newfoundland and Labrador (Note 19) | \$ 680,165 | \$ 551,438 | \$ 555,580 |
| Other Provincial revenue | - | 4,500 | - |
| Income from portfolio investments | 28,000 | 27,314 | 18,881 |
| Miscellaneous | 1,000 | 5,257 | 3,596 |
| | 709,165 | 588,509 | 578,057 |
| EXPENSES (Note 13) | | | |
| Heritage grants | 200,000 | 107,793 | 91,010 |
| Fisheries Heritage Preservation Initiative | 75,000 | 18,757 | 28,433 |
| Special projects (Note 14) | 7,000 | 8,325 | 52,187 |
| Administration | 308,500 | 370,378 | 268,962 |
| Intangible Cultural Heritage Strategy (Note 15) | 116,533 | 141,891 | 103,567 |
| | 707,033 | 647,144 | 544,159 |
| Annual surplus (deficit) | 2,132 | (58,635) | 33,898 |
| Accumulated surplus, beginning of year | 484,480 | \$ 484,480 | \$ 450,582 |
| Accumulated surplus, end of year | \$ 486,612 | \$ 425,845 | \$ 484,480 |

*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 31 March

| | 2012 Budget | 2012 Actual | 2011 Actual |
|--|------------------------|------------------------|-----------------------------------|
| | (Note18) | | Restated (Note 2) (Note 22) |
| <u>Annual surplus (deficit)</u> | \$ - | \$ (58,635) | \$ 33,898 |
| Tangible capital assets | | | |
| <u>Amortization of tangible capital assets</u> | - | 10,127 | 13,535 |
| | - | 10,127 | 13,535 |
| Prepaid expenses | | | |
| Acquisition of prepaid expense | - | (1,800) | (1,800) |
| Use of prepaid expense | - | 1,800 | 1,791 |
| | - | - | (9) |
| Increase (decrease) in net financial assets | - | (48,508) | 47,424 |
| Net financial assets, beginning of year | - | 469,351 | 421,927 |
| Net financial assets, end of year | \$ - | \$ 420,843 | \$ 469,351 |

*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 31 March

| | 2012 | 2011 |
|---|-------------------|--|
| | | Restated (Note 2) (Note 22) |
| Operating transactions | | |
| Annual surplus (deficit) | \$ (58,635) | \$ 33,898 |
| Adjustment for non-cash items | | |
| Amortization of tangible capital assets | 10,127 | 13,535 |
| | (48,508) | 47,433 |
| Change in non-cash operating items | | |
| Accounts receivable | (4,933) | 17,447 |
| Accounts payable and accrued liabilities | 9,285 | 15,921 |
| Employee future benefits | 7,229 | 5,477 |
| Deferred revenue | 127,937 | 125,210 |
| Prepaid expenses | - | (9) |
| Cash provided from operating transactions | 91,010 | 211,479 |
| Investing transactions | | |
| Purchase of portfolio investments | (1,650,000) | (2,014,469) |
| Redemption of portfolio investments | 1,676,653 | 1,757,136 |
| Cash (applied to) provided from investing transactions | 26,653 | (257,333) |
| Increase (decrease) in cash | 117,663 | (45,854) |
| Cash, beginning of year | 27,869 | 73,723 |
| Cash, end of year | \$ 145,532 | \$ 27,869 |

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

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

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. Conversion to Canadian public sector accounting standards

In accordance with recent recommendations of the Public Sector Accounting Board (PSAB), the Foundation has determined that it is an Other Government Organization within the Government Reporting Entity. Accordingly, commencing with the 2012 fiscal year, the Foundation has adopted Canadian public sector accounting (CPSA) standards. These financial statements are the first financial statements for which the Foundation has applied CPSA standards. The Foundation had previously been preparing its financial statements using Canadian generally accepted accounting principles (CGAAP). The changeover became effective on 1 April 2011 with retroactive application to 1 April 2010.

In accordance with Section PS 2125, *First-time adoption by Government Organizations*, the Foundation has prepared reconciliations to enable readers to understand the effects of the changeover on its comparative results and financial position.

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

2. Conversion to Canadian public sector accounting standards (cont.)

Statement of operations reconciliation

The following table presents the reconciliation of the statement of operations from the previous reporting framework to the current method of presentation for the year ended 31 March 2011.

| <u>Statement of operations</u> | <u>Notes</u> | <u>CGAAP</u> <u>31 March 2011</u> | <u>Adjustments</u> | <u>CPSA</u> <u>Standards</u> <u>31 March 2011</u> |
|---|--------------|--------------------------------------|--------------------|---|
| REVENUES | | | | |
| Province of Newfoundland and Labrador | (d) | \$ 468,334 | \$ 87,246 | \$ 555,580 |
| Income from portfolio investments | | 18,881 | | 18,881 |
| Miscellaneous | | 3,596 | | 3,596 |
| | | 490,811 | 87,246 | 578,057 |
| EXPENSES | | | | |
| Administration | (a),(b) | \$ - | \$ 268,962 | \$ 268,962 |
| Board travel and meetings | (b) | 11,912 | (11,912) | - |
| Cultural Ministers Meeting | (b) | 20,147 | (20,147) | - |
| Easement registration | (b) | 502 | (502) | - |
| Fisheries Heritage Preservation Initiative | (b) | 28,433 | - | 28,433 |
| Heritage districts | (b) | 2,475 | (2,475) | - |
| Heritage grants | (b) | 91,010 | - | 91,010 |
| Intangible Cultural Heritage Strategy | (b) | 103,567 | - | 103,567 |
| Miscellaneous | (b) | 12,900 | (12,900) | - |
| Office supplies | (b) | 4,076 | (4,076) | - |
| Other projects | (b) | 4,000 | (4,000) | - |
| Professional fees | (b) | 5,165 | (5,165) | - |
| Salaries and benefits | (b) | 205,642 | (205,642) | - |
| Special projects | (b) | 7,000 | 45,187 | 52,187 |
| Telephone | (b) | 5,671 | (5,671) | - |
| Travel | (b) | 28,124 | (28,124) | - |
| | | 530,624 | 13,535 | 544,159 |
| Excess of (expenses over revenues) revenues over expenses | | \$ (39,813) | \$ 73,711 | \$ 33,898 |

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

2. Conversion to Canadian public sector accounting standards (cont.)

Statement of financial position reconciliation

The following tables present the reconciliation of the statement of financial position from the previous reporting framework to the current method of presentation as at 31 March 2011 and at the transition date 1 April 2010.

| <u>Statement of financial position</u> | <u>Notes</u> | <u>CGAAP 31 March 2011</u> | <u>Adjustments</u> | <u>CPSA Standards 31 March 2011</u> |
|--|--------------|------------------------------------|--------------------|---|
| FINANCIAL ASSETS | | | | |
| Cash | | \$ 27,869 | \$ | \$ 27,869 |
| Portfolio investments | | 1,408,543 | | 1,408,543 |
| Accounts receivable | (c) | 37,124 | | 37,124 |
| | | 1,473,536 | | 1,473,536 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | | 51,331 | | 51,331 |
| Employee future benefits | (c) | 67,411 | | 67,411 |
| Deferred revenue | (d) | 972,689 | (87,246) | 885,443 |
| | | 1,091,431 | (87,246) | 1,004,185 |
| Net financial assets | | 382,105 | 87,246 | 469,351 |
| NON-FINANCIAL ASSETS | | | | |
| Tangible capital assets, net | (a) | - | 14,746 | 14,746 |
| Prepaid expenses | | 383 | | 383 |
| | | 383 | 14,746 | 15,129 |
| Accumulated surplus | | \$ 382,488 | \$ 101,992 | \$ 484,480 |

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

2. Conversion to Canadian public sector accounting standards (cont.)

| <u>Statement of financial position</u> | <u>Notes</u> | <u>CGAAP</u> <u>1 April 2010</u> | <u>Adjustments</u> | <u>CPSA</u> <u>Standards</u> <u>1 April 2010</u> |
|--|--------------|-------------------------------------|--------------------|--|
| FINANCIAL ASSETS | | | | |
| Cash | | \$ 73,723 | \$ | \$ 73,723 |
| Portfolio investments | | 1,151,210 | | 1,151,210 |
| Accounts receivable | (c) | 54,571 | | 54,571 |
| | | 1,279,504 | | 1,279,504 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | | 35,410 | | 35,410 |
| Employee future benefits | (c) | 61,934 | | 61,934 |
| Deferred revenue | | 760,233 | | 760,233 |
| | | 857,577 | | 857,577 |
| Net financial assets | | 421,927 | | 421,927 |
| NON-FINANCIAL ASSETS | | | | |
| Tangible capital assets, net | (a) | - | 28,281 | 28,281 |
| Prepaid expenses | | 374 | | 374 |
| | | 374 | 28,281 | 28,655 |
| Accumulated surplus | | \$ 422,301 | \$ 28,281 | \$ 450,582 |

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

2. Conversion to Canadian public sector accounting standards (cont.)

- (a) Under CGAAP, contributions from government that were designated for the acquisition of tangible capital assets were applied towards the initial cost of the tangible capital assets with any remaining balance being amortized over the useful life of the related tangible capital asset. As there was no remaining balance, the tangible capital assets had a net book value of \$0 on the balance sheet (statement of financial position for the current year) and no amortization expense was necessary. Under CPSA standards, contributions designated for the acquisition of tangible capital assets cannot be applied towards the cost of the related tangible capital asset. Therefore, retroactive adjustments were made to recognize the contributions from government related to tangible capital asset acquisitions as revenue when the related tangible capital assets were acquired and to record amortization expense related to the tangible capital assets. This resulted in tangible capital assets having a net book value of \$14,746 (1 April 2010 - \$28,281) being recorded as at 31 March 2011 and amortization expense of \$13,535 being recorded for the year ended 31 March 2011.
- (b) Under CPSA standards, the Foundation is required to report its expenses by function or major program on the statement of operations. Therefore, certain expenses had to be reclassified on a retroactive basis.
- (c) Certain comparative figures have been reclassified to conform to the financial statement classifications adopted in 2012.
- (d) Certain comparative figures have been restated to correct an overstatement as explained in Note 22.

3. Changes in accounting standards: early adoption of released CICA Public Sector Accounting Handbook sections

In March 2011, the PSAB approved new Section PS 3450, *Financial Instruments*, Section PS 2601, *Foreign Currency Translation* to replace current Section PS 2600, *Foreign Currency Translation* and Section PS 1201, *Financial Statement Presentation* to replace current Section PS 1200, *Financial Statement Presentation*. Government organizations are required to adopt the three sections in the same year. In addition, in March 2012, the PSAB approved Section PS 3041, *Portfolio Investments*, to replace Section PS 3040, *Portfolio Investments*. The four sections are effective 1 April 2012 for government organizations but earlier adoption is permitted.

The Foundation decided to early adopt these sections for the year ending 31 March 2012. The adoption of sections PS 3450, PS 2601, and PS 1201 had no significant impact on the Foundation's financial statements.

3. Changes in accounting standards: early adoption of released CICA Public Sector Accounting Handbook sections (cont.)

The primary implication of adopting section PS 3041 is that the Foundation can no longer apply section PS 3030, *Temporary Investments*. As a result, when temporary investments cannot be accounted for as cash equivalents (*i.e.*; when the investments have a maturity of three months or less from the date of acquisition) they have to be accounted for as portfolio investments. The Foundation had previously been accounting for its investments as temporary investments. Under PS 3041, the Foundation will now have to account for its investments as portfolio investments as the investments have a maturity of greater than three months from the date of acquisition. The primary implication of this change is that the Foundation will now have to present its purchases and redemptions of portfolio investments on the statement of cash flows.

4. Summary of significant accounting policies

(a) Basis of accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the PSAB. The Foundation does not prepare a statement of re-measurement gains and losses as the Foundation does not enter into relevant transactions or circumstances that are being addressed by the statement.

(b) Portfolio investments

The Foundation invests in Guaranteed Investment Certificates. The portfolio investments are recorded at cost, which due to the current market rate associated with these investments, approximates market value.

(c) 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.

4. Summary of significant accounting policies (cont.)

(d) 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. No liability or provision has been recorded for employees with less than nine years of continuous service as the amount would be insignificant. 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 6% of the employee's salary to the self-directed RRSP but there is no requirement for the employee to match the contributions. Contributions to the Public Service Pension Plan are required from certain employees and are matched by the Foundation. Contributions related to the Public Service Pension Plan are remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Public Service Pension Plan is a defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of the best five years of earnings.

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

(e) Tangible capital assets

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

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 and accumulated surplus.

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

4. Summary of significant accounting policies (cont.)

(f) Prepaid expenses

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

(g) Revenues

Revenues are recognized in the period 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, and reasonable estimates of the amounts can be made.

Income from portfolio investments is recorded as earned.

(h) Expenses

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

(i) 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.

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

5. Accounting pronouncements

Section PS 3410 Revised, *Government Transfers*

In December 2010, Section PS 3410, *Government Transfers*, was amended by the PSAB. These amendments are effective for fiscal years beginning on or after 1 April 2012 but earlier adoption is encouraged. The main changes pertain to recognition criteria for government transfers, affecting how the Foundation accounts for such transfers. The Foundation is still evaluating the impact of adopting the revised section in the coming year.

6. Portfolio investments

| | 31 March <u>2012</u> | 31 March <u>2011</u> | 1 April <u>2010</u> |
|----------------------------------|---------------------------------|-------------------------|------------------------|
| Portfolio investments, at cost | \$ 1,381,890 | \$ 1,408,543 | \$ 1,151,210 |
| Portfolio investments, at market | \$ 1,381,890 | \$ 1,408,543 | \$ 1,151,210 |

Investments consist of Guaranteed Investment Certificates, with maturity dates ranging from 18 June 2012 to 17 June 2013 and interest rates ranging from 1.27% to 2.35%.

7. Accounts receivable

| | 31 March <u>2012</u> | 31 March <u>2011</u> | 1 April <u>2010</u> |
|---------------------------------------|---------------------------------|-------------------------|------------------------|
| Investment income receivable | \$ 18,734 | \$ 14,765 | \$ 3,216 |
| Harmonized sales tax receivable | 14,515 | 8,898 | 17,080 |
| Province of Newfoundland and Labrador | 6,165 | 13,461 | 32,775 |
| Trade accounts receivable | 2,643 | - | 1,500 |
| | \$ 42,057 | \$ 37,124 | \$ 54,571 |

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

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

8. Accounts payable and accrued liabilities

| | 31 March 2012 | 31 March 2011 | 1 April 2010 |
|--------------------------------------|--------------------------|------------------|-----------------|
| Trade accounts payables and accruals | \$ 24,565 | \$ 21,504 | \$ 9,254 |
| Accrued employee benefits | 36,051 | 29,827 | 26,156 |
| | \$ 60,616 | \$ 51,331 | \$ 35,410 |

9. Employee future benefits

(a) Severance pay

Employee future benefits consist of the liability for severance pay of \$74,640 (2011 - \$67,411; 2010 - \$61,934).

(b) Retirement benefits

Effective for the year ended 31 March 2012, the Foundation and its employees contribute to the Public Service Pension Plan in accordance with the *Public Service Pensions Act, 1991*. The Government of Newfoundland and Labrador administers the Public Service Pension Plan, including payment of pension benefits to employees to whom the *Act* applies. The Public Service Pension Plan is a multi-employer, defined benefit plan.

The plan provides a pension to employees based on their length of service and rates of pay. The maximum contribution rate for eligible employees was 8.6% (2011 - 8.6%). The Foundation's contributions equal the employees' contributions to the plan. The Foundation is not required to make contributions in respect of any actuarial deficiencies of the plan. The pension expense for the Foundation at 31 March 2012 was \$890 (2011 - \$0).

For those employees not covered by the Public Service Pension Plan, the Foundation will make an annual contribution equal to 6% 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 31 March 2012 were \$13,197 (2011 - \$11,831)

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

10. Deferred revenue

Deferred revenue as at 31 March 2012 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.

| | 31 March 2012 | 31 March 2011 | 1 April 2010 |
|---|--------------------------|-------------------|-------------------|
| Registered Heritage Structures | \$ 712,985 | \$ 620,779 | \$ 521,510 |
| Fisheries Heritage Preservation Program | 108,515 | 103,382 | 91,864 |
| Ecclesiastical Structures | 75,000 | 35,000 | - |
| Municipal Planning | 70,000 | 70,000 | 70,000 |
| Downtown Revitalization | 46,880 | 46,880 | 46,880 |
| Cultural Ministers' Meeting | - | - | 25,000 |
| Intangible Cultural Heritage | - | 9,402 | 4,979 |
| | \$ 1,013,380 | \$ 885,443 | \$ 760,233 |

11. Tangible capital assets

| | Systems development | Office and computer equipment | Total |
|--------------------------------------|--------------------------------|--|-----------------|
| Cost | | | |
| Balance, 1 April 2010 | \$ 267,096 | \$ 65,558 | \$ 332,654 |
| Additions | - | - | - |
| Balance, 31 March 2011 | 267,096 | 65,558 | 332,654 |
| Additions | - | - | - |
| Balance, 31 March 2012 | 267,096 | 65,558 | 332,654 |
| Accumulated amortization | | | |
| Balance, 1 April 2010 | 244,580 | 59,793 | 304,373 |
| Amortization expense | 11,240 | 2,295 | 13,535 |
| Balance, 31 March 2011 | 255,820 | 62,088 | 317,908 |
| Amortization expense | 8,550 | 1,577 | 10,127 |
| Balance, 31 March 2012 | 264,370 | 63,665 | 328,035 |
| Net book value, 31 March 2012 | \$ 2,726 | \$ 1,893 | \$ 4,619 |
| Net book value, 31 March 2011 | \$ 11,276 | \$ 3,470 | \$ 14,746 |
| Net book value, 1 April 2010 | \$ 22,516 | \$ 5,765 | \$ 28,281 |

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

12. 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 31 March 2012, the Fund balance was \$425,845 (2011 - \$484,480; 2010 - \$450,582)

13. Expenses by object

The following is a summary of expenses by object:

| | 2012 <u>Actual</u> | 2011 <u>Actual</u> |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Salaries and benefits | \$ 370,885 | \$ 281,896 |
| Grants | 131,772 | 146,139 |
| Professional services | 60,158 | 7,339 |
| Purchased services | 37,213 | 75,213 |
| Travel | 28,964 | 13,872 |
| Amortization | 10,127 | 13,535 |
| Communications | 5,622 | 5,671 |
| Property, furnishings and equipment | 2,403 | 494 |
| | <hr/> \$ 647,144 | <hr/> \$ 544,159 |

14. Special projects

The Foundation incurred expenses related to the following special projects.

| | 2012 <u>Actual</u> | 2011 <u>Actual</u> |
|----------------------------|-------------------------------------|-------------------------------------|
| Heritage Canada conference | \$ - | \$ 25,040 |
| Cultural Ministers Meeting | 2,625 | 20,147 |
| Other | 5,700 | 7,000 |
| | <hr/> \$ 8,325 | <hr/> \$ 52,187 |

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

15. 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 \$123,533 (2010 - \$109,235) in revenue related to the Strategy. The Foundation also incurred expenses of \$141,891 (2011 - \$103,567) related to the Strategy.

16. Commitments

(a) Grant commitments

As at 31 March 2012, the Foundation had committed \$560,320 (2011 - \$430,300) 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 31 March 2012, the Foundation had also committed \$10,300 (2011 - \$22,300) 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.

(b) Operating lease obligation

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

| | |
|------|------------------|
| 2013 | \$ 3,246 |
| 2014 | 3,246 |
| 2015 | 3,246 |
| 2016 | <u>3,246</u> |
| | <u>\$ 12,984</u> |

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
31 March 2012

17. Financial instruments

The Foundation's financial instruments recognized on the statement of financial position consist of cash, portfolio investments, accounts receivable, and accounts payable and accrued liabilities. The carrying value of cash, accounts receivable, and accounts payable and accrued liabilities approximate current fair value due to their nature and the short-term maturity associated with them. The carrying value of portfolio investments approximates the current market value due to the current market rate associated with these investments.

Risk management

The Foundation recognizes the importance of managing significant risks and this includes oversight designed to reduce the risks identified to an appropriate threshold. A significant risk currently managed by the Foundation is liquidity risk.

Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to meet its grant commitments and financial liabilities. The Foundation manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its commitments and liabilities.

18. 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.

19. Related party transactions

- (a) The Foundation receives grant funding from the Province of Newfoundland and Labrador. During the year, the Foundation received grants totalling \$679,375 (2011 - \$680,790). The Foundation recognized \$551,438 (2011 - \$555,580) 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 received revenues of \$4,500 (2011 - \$0) from related parties.
- (d) The Foundation incurred expenses of \$10,000 (2011 - \$10,000) with related parties.
- (e) Accounts receivable includes amounts due from related parties of \$8,265 (2011 - \$13,461; 2010 - \$34,275)

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR
NOTES TO FINANCIAL STATEMENTS
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20. Comparative figures

Certain comparative figures as at 31 March 2011 and 1 April 2010 and for the year ended 31 March 2011 have been reclassified to conform to current year's presentation.

21. 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.

22. Prior year accounting overstatement

In the prior year, the Foundation recorded deferred revenue at \$972,689 on the balance sheet (statement of financial position for the current year) and Province of Newfoundland and Labrador revenue at \$468,334 on the statement of revenues, expenses and fund balance, (statement of operations and accumulated surplus for the current year), which resulted in an excess of expenses over revenues of \$39,813 and a Fund balance of \$382,488. The excess of expenses over revenues has been reclassified as annual surplus (deficit) and the Fund balance has been reclassified as accumulated surplus for the current year. The deferred revenue balance was overstated by \$87,246 as at 31 March 2011 and has been revised to correct this overstatement. As a result, the prior year's balances have been restated and now reflect the adjusted deferred revenue balance. Deferred revenue has been restated to \$885,443 and Province of Newfoundland and Labrador revenue has been restated to \$555,580, resulting in the restatement of the annual surplus (deficit) by an increase of \$87,246 and the accumulated surplus by an increase of \$87,246. In addition, further adjustments were required to the revised annual surplus (deficit) and the revised accumulated surplus as a result of the conversion to Canadian public sector accounting standards as explained in Note 2.



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