

# Heritage Foundation

of Newfoundland & Labrador

## Annual Report

2006-2007



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April 4, 2008

The Honourable Tom Hedderson  
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 for the fiscal year **2006-07**.

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 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.

Changes to the *Act* 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. The Foundation received applications from Port Union and Woody Point seeking designation as Registered Heritage Districts. In January of this fiscal year Port Union received Registered Heritage District status.

This fiscal year saw the continuation of the Fisheries Heritage Preservation Program, a granting program designed to protect the province's vanishing heritage fisheries architecture. The Foundation was very pleased with the Department's continued monetary support of this very valuable program. This year the Foundation was involved with projects in Barr'd Island, Bride Arm, Bonavista, Burnt Islands, Change Islands, English Harbour, Fair Island, Joe Batt's Arm, King's Cove, St. Juliens, St. Lewis, Southport, Tilting and the Trinity area.

The Foundation again received funding under the federal government's Historic Places Initiative. The Foundation is under contract to implement the Canadian Register of Historic Places and the HPI Municipal Outreach. This Provincial Registry contains over 2,882 buildings from this province and includes Provincial Historic Sites, the Foundation's Registered Heritage Structures, Fisheries Heritage Structures, Registered Heritage Districts, the Foundation's Inventory base, as well as structures designated by municipalities.

The Foundation, at this time, would like to thank the Department of Tourism, Culture and Recreation for the continuation of its annual operating grant. This commitment and support will enable the Foundation to make and undertake long-term plans.

The 2006-07 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, 2006 to March 31, 2007, was prepared under the direction of the Board of Directors. The Board of Directors is accountable for the actual results reported.

Respectfully submitted,

A handwritten signature in black ink, reading "Robert Mellin". The signature is written in a cursive, flowing style.

Robert Mellin, Chair  
Heritage Foundation of Newfoundland and Labrador

**Vision:**

To preserve the built heritage of Newfoundland and Labrador 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.

**Mission:**

To encourage and celebrate the preservation of the architectural heritage of Newfoundland and Labrador through financial assistance and formal recognition, for the greater understanding and appreciation of the province's people and visitors.

**Board of Directors and Staff:**

The present Board is comprised of:

Robert Mellin, Chair	St. John's	Robert Parsons, Vice-Chair	Grand Bank
Cindy Gibbons	Red Bay, Labrador	Kenneth Flynn	Jerseyside
Roy Dawe	Cupids	Patricia Hatch	Corner Brook
Shannie Duff	St. John's	Sandra Wheeler	Corner Brook
Kim Blanchard	St. John's	Dominic Lundrigan	Burin
Amos Lyall	North West River		
Jerry Dick	Dept. of Tourism, Culture and Recreation		

The staff of the Heritage Foundation is comprised of:

- George Chalker, Executive Director
- Dale Jarvis, Provincial Registrar
- Madonna Sullivan, Financial Manager

The HPI staff include Alexandra Woolfrey-Fahey, Public Relations/Event Specialist, Deborah O'Rielly, Assistant Registrar; Lara Maynard and Andrea O'Brien, Outreach Officers and Sherri Kelly, Doors Open Coordinator.

**Contact Information:**

The Heritage Foundation of Newfoundland and Labrador is located at 1 Springdale Street and may be contacted by writing to P.O. Box 5171, St. John's, NL, A1C 5V5 or by email at [info@heritagefoundation.ca](mailto:info@heritagefoundation.ca), by phone at (709) 739-1892, fax (709) 739-5413 or toll free at (888) 739-1892. The Foundation's web site is located at [www.heritagefoundation.ca](http://www.heritagefoundation.ca).

**Lines of Business:**

The Heritage Foundation is the pre-eminent organization in the province mandated to preserve one of the most visible dimensions of Newfoundland and Labrador culture - its architectural heritage. To fulfill its mandate the Foundation delivers the following programs:

Through the **Registered Heritage Structure Designation Program** and the **Registered Heritage Structure Grants Program** the Foundation designated over 278 structures as Registered Heritage Structures and awarded over **\$1,761,475** in restoration funding, resulting in a spin-off economic effect of close to eight times that amount.

The benefits of designation include provincial recognition of the structure, eligibility for grants and installation of a 5”x10” bronze plaque on the outside of the building to indicate its heritage significance. The Foundation has, since its inception, plaqued over 170 structures through its **Registered Heritage Structure Plaquing Program**.



**Tilting Registered Heritage District**

The Foundation’s **Registered Heritage District Designation Program** in 2003 designated the first Registered Heritage District under the *Registered Heritage District Regulations*, section 29 of the *Historic Resources Act*. Tilting, Fogo Island was officially given this title at a ceremony in 2003.

The Foundation received applications and enquiry letters from several communities interested in having areas in their communities considered for designation as Registered Heritage Districts including application from Port Union and Placentia. January 10<sup>th</sup> Port Union Registered Heritage District became the second district to be designated under *section 29* of the *Historic Resources Act*.



**Port Union Registered Heritage District**

**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 19<sup>th</sup> century “mother churches”, including representative from most major denominations prevalent in Newfoundland. It is bound by two very old graveyards, the Cathedral of St. John the Baptist Graveyard and Belvedere Graveyard (Roman Catholic) and slices through the central portion of old St. John’s. Last fiscal year saw the editing of the St. John’s Ecclesiastical District Statement of Significance (SoS) and the application was submitted to the Monuments Board of Canada for consideration as a National Historic District. The Foundation and the City of St. John’s are awaiting word from the Historic Sites and Monuments Board of Canada on this application (the Historic Sites and Monuments Board of Canada was without sufficient members to hold meetings this past fiscal year).

The **Fisheries Heritage Preservation Program** 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. The goal of this program is to provide funding to community and non-profit groups to restore stages, stores, flakes, lofts and other buildings associated with the Newfoundland and Labrador fishery. These structures are being lost to weather, waves, sea ice, and time. Under this program, assistance was provided for restoration of heritage features using original materials.

The preservation of fisheries related structures throughout the province is an essential component in the Foundation’s preservation efforts. HFNL started with five pilot projects in 2002, and has since approved over \$250,000 in grants to private owners, communities and non-profit groups to restore stages, stores, flakes, lofts and other buildings associated with the Newfoundland and Labrador fishery.

The Fisheries Heritage Preservation Program received \$75,000 this year from the Department to continue with this very worthwhile project. **\$65,094.65** was awarded in restoration grants to help preserve the fisheries heritage of buildings in communities such as Barr’d Island, Bride Arm, Bonavista, Burnt Islands, Change Islands, English Harbour, Fair Island, Joe Batt’s Arm, King’s Cove, St. Juliens, St. Lewis, Southport, Tilting and the Trinity area.



*Henry Comden Stage -Barr’d Island  
Before Restoration*



*Henry Comden Stage Barr’d Island  
After Restoration*

The Foundation created and launched the Fisheries Heritage Website, [www.fisheriesheritage.ca](http://www.fisheriesheritage.ca), where anyone can visit to learn more about our Fisheries Heritage. This website contains a variety of images, text and links, all related to our fisheries heritage architecture in its many forms.



*Balsom Stage - Southport  
Before Restoration*



*Balsom Stage - Southport  
After Restoration*



**Other Program Involvement:**

The Heritage Foundation also has an educational role and undertakes /sponsors events, publications and other projects designed to promote the value of our built heritage. These programs include:



*One of the projects submitted to the Heritage Fairs*

**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 (there are 15 from across the province) to represent them at the National Historica Camp held each July in a different province.

**Tidy Towns Newfoundland and Labrador Heritage Award** is an award given to a community for their commitment to heritage. 2006 marked the 10<sup>th</sup> anniversary for Tidy Towns Newfoundland and Labrador with 59 communities participated in the competition. Grand Bank won the Heritage Award this year.



*St. Joseph's Roman Catholic Rectory Bonavista*

**Newfoundland Historic Trust Southcott Awards** is 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 2006, 70 of the Foundation's Registered Heritage Structures have been awarded Southcott Awards by the Trust. This year Winter Home in Clarke's Beach and St. Joseph's Roman Catholic Rectory in Bonavista were added to the list of Southcott Award winners.

The Foundation also 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.





### **Historic Places Initiative (HPI)**

The Historic Places Initiative is a multifaceted program aimed at conserving and celebrating Canada's historic places. The program is an initiative under the Government of Canada and is being implemented in Newfoundland and Labrador by the Heritage Foundation of Newfoundland and Labrador. The program is responsible for the development of two new pan-Canadian conservation tools: the **Canadian Register**, which lists designated heritage sites that have been formally recognized across Canada and the **Standards and Guidelines**, Canada's first nationwide benchmark of conservation principles and practices. Parks Canada is also responsible for managing the **Commercial Heritage Properties Incentive Fund (CHPIF)** which provides financial assistance to businesses meeting specified criteria and housed in designated heritage properties to help cover the costs associated with conservation work. The Certification Agent for this province is George Chalker, Executive Director with the Heritage Foundation.

Under the Historic Places Initiative Program, The Commercial Heritage Properties Incentive Fund was created to provide financial incentives to the private sector to preserve historic properties. This year the new owners of Holy Trinity Convent and Chapel (Nagel House) in Witless Bay received approval for a CHPIF grant.

HPI staff have been busy this year with workshops and site visits to communities educating them on heritage in their communities and what they can do to promote and preserve resources in their towns. Site visits were made to over 20 communities and sites were documented to assist with designation both provincially and municipally. The Foundation hosted municipal heritage designation workshops dealing with HPI, Statements of Significance and Standards and Guidelines to representatives in 60 communities. These workshops were attended by representatives from Port au Port West, Robert's Arm, Leading Tickles, Marystown, Twillingate, Carbonear, Eastport and Brigus just to name a few. The Standards and Guidelines were adopted as the standard for restoration work to be undertaken on the Colonial Building, St. John's - a Provincial and National Historic Site. During the summer, staff also conducted a comprehensive inventory of Port Union for the district application.

Staff attended several Conferences - the Association of Municipal Administrators Convention in Corner Brook; the Association of Heritage Industries Conference, as well as the Museum Association of Newfoundland and Labrador Conference. The Foundation distributed 54 municipal designation certificates to municipalities which have municipally designated places listed to the Canadian Registry of Historic Places.



**Minister Tom Hedderson presents certificate to recipient**

On October 30, 2006 at the Kavanagh Premises in Ferryland, the Heritage Foundation of Newfoundland and Labrador's Executive Director George Chalker and Minister of Tourism, Culture and Recreation Tom Hedderson, presented municipal heritage designation certificates to representatives of six municipalities from the Southern Shore region of the Irish Loop. The towns of Witless Bay, Cape Broyle, Ferryland, Port Kirwan, Fermeuse and Renewes-Cappahayden locally designated 17 heritage sites in total.



**Minister Tom Hedderson presents bronze plaque to owners of Holy Trinity Convent and Chapel in Witless Bay**

Two Provincial Registered Heritage Structures were also presented with plaques - R. J. O'Brien's Store in Cape Broyle and Holy Trinity Convent and Chapel in Witless Bay.



**Minister Tom Hedderson Presents Bronze plaque to owners of R.J. O'Brien's Store in Cape Broyle**

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 brochures promoting the proper installation of wood cladding, fisheries heritage preservation and the proper use of nails during restoration. The Registered Heritage District Brochure was developed to educate communities on the designation process for Registered Heritage Districts.



**Proper Use of Nails during Restoration Pamphlet**



**Fisheries Heritage Preservation Booklet**



**Registered Heritage Districts Brochure**



The Foundation also organized and delivered, in partnership with the Newfoundland Historic Trust, the Doors Open Program. Doors Open is a unique opportunity for the citizens and visitors of Newfoundland and Labrador to celebrate our architecture and heritage through the exploration of some of our hidden historical, architectural and cultural gems. Buildings that are normally closed to the public or charge an entrance fee welcome visitors to look around for free. Doors Open began in Glasgow, Scotland in 1990 under the cooperation of the Scottish Civic Trust. A year later it was launched as a Council of Europe initiative. In 1998, 19 million people had visited 28,000 sites throughout Europe making it the world's biggest festival of the built environment.

Recognising our rich culture and heritage, the Heritage Foundation of Newfoundland and Labrador and the Newfoundland Historic Trust organized Doors Open events across Newfoundland and Labrador. This year Doors Open Newfoundland and Labrador 2006 was held in 6 communities throughout the province: Placentia, Brigus/Cupids, St. John's, Conception Bay South, Corner Brook and Trinity Bight. Doors Open St. John's featured 28 participating sites and saw over 15,000 visits. Placentia, another veteran Doors Open community, had a great 4th Annual Doors Open that featured 13 sites. Brigus/Cupids had 10 participating sites. Conception Bay South, in its first year as a Doors Open community, had 13 participating sites. Corner Brook's inaugural year was successful with 11 sites and over 700 visits, and Trinity Bight had 16 sites with over 850 visits.



*Majestic Theatre, Corner Brook one of the Participants in Doors Open 2006*



The Heritage Foundation also has an educational role and undertakes projects designed to promote the value of our built heritage. One program is **Heritage Day** - a celebration of our heritage held on the third Monday in February. This fiscal year saw 41 communities throughout Newfoundland and Labrador sign Municipal Heritage Day Proclamations. Premier Danny Williams signed on behalf of the Province and Mayor Andy Wells on behalf of the city of St. John's.

Again this year, the Foundation under HPI organized a **Heritage Day Poster Contest** for students in schools across the Province. Honourable Tom Hedderson, Minister of Tourism, Culture and Recreation presented 1<sup>st</sup> Place in the Heritage Day Student Poster Contest to Alyssa Crane, Grade 11, Ascension Collegiate in Bay Roberts during Heritage Day celebrations on February 19, 2007.



*Minister Tom Hedderson presents Alyssa Crane with a framed print of her winning Poster*

**Registered Heritage Structure Program:**

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 2006 - 2007.

- Bell Island - Bell Island No. 2 Mine**
- Crow Head - Long Point Lightkeeper's Dwelling**
- Ferryland - Ferryland Courthouse**
- Lower Island Cove - Shano/Le Shane Property**
- Newtown – Emma and Philip Templeman Property**
- St. John's - Yellow Belly Corner**
- Twillingate – Hodge Brothers Premises**
- Twillingate – St. Peter's Lodge SUF #12, Victoria Hall**



*Cow Head - Long Point Lightkeeper's Dwelling*



*Twillingate Hodge Brothers Premises*



*Bell Island - No. 2 Mine*



*Ferryland - Courthouse*



*St. John's - Yellow Belly Corner*



**Registered Heritage Structure Grant Program:**

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 2006 - 2007:

<b>Conche - William &amp; Cecilia O'Neill Property</b>	<b>\$10,000</b>
<b>Carbonear - St. James Anglican Church</b>	<b>\$10,000</b>
<b>Codroy - Holy Trinity Anglican Church</b>	<b>\$ 5,000</b>
<b>English Harbour - All Saints Anglican Church</b>	<b>\$10,000</b>
<b>Placentia - Anglo American Co. House</b>	<b>\$ 5,000</b>
<b>St. John's - 50 Forest Road</b>	<b>\$ 5,000</b>
<b>St. John's - Yellow Belly Corner</b>	<b>\$10,000</b>
<b>Twillingate - Loveridge House</b>	<b>\$ 4,000</b>
<b>Witless Bay - Holy Trinity Convent and Chapel</b>	<b><u>\$10,000</u></b>
<b>Total Grants Approved</b>	<b>\$69,000</b>



*Placentia  
Anglo American Company House*



*St. John's - 50 Forest Road*



*Codroy  
Holy Trinity Anglican Church*



*Conche  
William & Cecilia O'Neill Property*



*Twillingate - Loveridge House*

**Registered Heritage Structure Plaques:**



Building 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.

**Summary of Achievements:**

Every dollar provided by the Heritage Foundation through its granting program has levered, on average, an eight-dollar infusion by private individuals and organizations restoring heritage structures.



Restoration of heritage structures have generated local employment, material purchases, and increased tourist activity. The photos below show the James Ryan Shop in Elliston before and after restoration with a cost of over \$106,000 to restore the exterior of this property.



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 convent at the right is now owned by Colleen Hanrahan and will be converted to a meeting facility with accommodations.



*Witless Bay  
Holy Trinity Convent & Chapel*



*Cape Bauld - Lightkeeper's Residence*

This past fiscal year the Foundation disbursed \$74,358.72 in Registered Heritage Structure Grant monies, of which \$65,665.68 went to the restoration of structures in rural Newfoundland. This \$74,358.72 saw an infusion of \$280,994 by private individuals and organizations. The photo at the left shows the Lightkeeper's Residence at Cape Bauld with costs over \$25,000 for exterior restoration alone.

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 past fiscal year the Foundation designated an historic interpretation site, museum, three private residences(photo on right), two commercial buildings and a mining structure.



*Newtown  
Emma & Philip Templeman Property*



**HERITAGE FOUNDATION OF  
NEWFOUNDLAND AND LABRADOR  
FINANCIAL STATEMENTS  
31 MARCH 2007**



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

I have audited the balance sheet of the Heritage Foundation of Newfoundland and Labrador as at 31 March 2007 and the statements of revenues, expenses and fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 March 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in blue ink, appearing to read "John L. Noseworthy".

**JOHN L. NOSEWORTHY, CA**  
Auditor General

St. John's, Newfoundland and Labrador  
20 March 2008

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**

**BALANCE SHEET**

31 March

2007

2006

**ASSETS**

**Current**

Cash	\$ 28,378	\$ -
Investments (Note 2)	293,462	260,131
Accounts receivable (Note 3)	274,670	162,836
Investment income receivable	5,739	1,188
Prepaid expenses	376	376
	<u>602,625</u>	<u>424,531</u>

**Capital assets (Note 4)**

	<u>-</u>	<u>-</u>
	\$ 602,625	\$ 424,531

**LIABILITIES AND FUND BALANCE**

**Current**

Bank overdraft	\$ -	\$ 2,380
Accounts payable and accrued liabilities	24,582	28,514
	<u>24,582</u>	<u>30,894</u>

Deferred revenue (Note 5)	349,977	181,091
Accrued severance pay	36,080	-
	<u>410,639</u>	<u>211,985</u>

<b>Fund balance (Note 6)</b>	<u>191,986</u>	<u>212,546</u>
	\$ 602,625	\$ 424,531

*See accompanying notes*

Signed on behalf of the Foundation:

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Member

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**STATEMENT OF REVENUES, EXPENSES AND FUND BALANCE**

For the Year Ended 31 March

2007

2006

	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>			
Government of Canada (Note 7)	\$ 276,791	\$ -	\$ 284,550
Province of Newfoundland and Labrador (Note 5)	336,107	375,000	242,469
Investment income	14,572	8,000	9,478
Miscellaneous	7,990	4,000	7,536
	<u>635,460</u>	<u>387,000</u>	<u>544,033</u>
<b>EXPENSES</b>			
Board travel and meetings	13,381	14,000	9,118
Easement registration	861	900	929
Fisheries Heritage Preservation Initiative - Administration	1,505	20,000	-
Fisheries Heritage Preservation Initiative			
- Fisheries heritage grants	61,157	50,000	22,744
Heritage grants	74,359	100,000	79,278
Historic places initiative (Note 7)	276,791	-	284,550
Miscellaneous	5,315	5,700	6,543
Newman Wine Vaults project	-	-	21,861
Office supplies	2,502	2,400	1,930
Plaquing	2,183	8,000	4,327
Professional fees	6,975	2,500	4,565
Public relations	655	500	70
Salaries and benefits	205,431	170,856	170,095
Special projects	2,324	5,000	300
Telephone	1,041	1,000	949
Travel	1,540	1,500	1,457
	<u>656,020</u>	<u>382,356</u>	<u>608,716</u>
<b>Excess of expenses over revenues</b>	<b>(20,560)</b>	<b>4,644</b>	<b>(64,683)</b>
<b>Fund balance, beginning of year</b>	<b>212,546</b>	<b>212,546</b>	<b>277,229</b>
<b>Fund balance, end of year</b>	<b>\$ 191,986</b>	<b>\$ 217,190</b>	<b>\$ 212,546</b>

*See accompanying notes*

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

2007

2006

**Cash flows from operating activities**

Excess of expenses over revenues \$ (20,560) \$ (64,683)

Changes in non-cash working capital

Accounts receivable (111,834) (139,467)

Investment income receivable (4,551) (691)

Prepaid expenses - (15)

Accounts payable and accrued liabilities (3,932) 88

(140,877) (204,768)

Increase in deferred revenue (Note 5) 168,886 81,006

Increase in accrued severance pay 36,080 -

64,089 (123,762)

**Cash flows from investing activities**

Purchase of capital assets from capital contributions (17,034) (25,440)

**Cash flows from financing activities**

Contribution from Government of Canada  
to purchase capital assets (Note 7) 12,337 25,440

Contribution from Province of Newfoundland and Labrador  
to purchase capital assets 4,697 -

17,034 25,440

**Net increase (decrease) in cash and cash equivalents 64,089 (123,762)**

**Cash and cash equivalents, beginning of year 257,751 381,513**

**Cash and cash equivalents, end of year \$ 321,840 \$ 257,751**

**Cash and cash equivalents include:**

Cash (Bank overdraft) \$ 28,378 \$ (2,380)

Investments 293,462 260,131

\$ 321,840 \$ 257,751

*See accompanying notes*



**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
31 March 2007

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**Authority**

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.

**I. Significant accounting policies**

These financial statements have been prepared by the Foundation's management in accordance with Canadian generally accepted accounting principles. The budget disclosed in these financial statements is presented on a cash basis. Outlined below are the significant accounting policies followed.

(a) Capital assets

Capital assets consist of systems development and computer equipment which were capitalized at cost at the time of acquisition. Contributions toward the acquisition of capital assets are deducted from the related capital asset cost with any amortization calculated on the net amount over a period of five years from the date of acquisition.

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

(b) Investments

Investments are recorded at cost, which because of their short-term nature approximate market value.

(c) Severance pay

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. Accordingly no provision has been made for employees with less than nine years of continuous service. 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.

(d) Investment income

Investment income is recorded as earned.

**HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR**  
**NOTES TO FINANCIAL STATEMENTS**  
 31 March 2007

**2. Investments**

	2007		2006
	Cost	Market Value	Cost
Short-term investments	\$ 293,462	\$ 293,462	\$ 260,131
	\$ 293,462	\$ 293,462	\$ 260,131

**3. Accounts receivable**

	2007	2006
Province of Newfoundland and Labrador	\$ 256,690	\$ 137,490
Harmonized sales tax	17,980	23,973
Other	-	1,373
	\$ 274,670	\$ 162,836

**4. Capital assets**

	2007			2006	
	Cost	Capital Contributions	Accumulated Amortization	Net Book Value	Net Book Value
Systems development	\$ 224,338	\$ 224,338	\$ -	\$ -	\$ -
Computer equipment	57,676	57,676	-	-	-
	\$ 282,014	\$ 282,014	\$ -	\$ -	\$ -

**5. Deferred revenue**

Deferred revenue as at 31 March 2007 consists of contributions received from the Province of Newfoundland and Labrador to be used for the payment of heritage grants and other heritage projects as directed by the Province. It also consists of contributions received from the Province to undertake a Fisheries Heritage Preservation Initiative focussing on the preservation and conservation of structures and buildings relating to the fisheries heritage of the Province. In addition, it consists of contributions from the Government of Canada to be used in administering the Historic Places Initiative in future periods, as the contributions received in 2007 exceeded eligible expenses. The revenue will be recognized in future periods as eligible expenses are incurred.



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**5. Deferred revenue (cont.)**

	2007	2006
<u>Balance, beginning of year</u>	<u>\$ 181,091</u>	<u>\$ 100,085</u>
Contribution from Province of Newfoundland and Labrador:		
Operating expenses and payment of heritage grants	300,000	250,000
Fisheries Heritage Preservation Initiative	70,303	50,000
Newman Wine Vaults Project	-	23,475
Contribution from Government of Canada:		
Historic Places Initiative	411,481	284,550
	<u>781,784</u>	<u>608,025</u>
Less: Contributions recognized in income during year:		
Province of Newfoundland and Labrador:		
Operating expenses and payment of heritage grants	(273,445)	(191,250)
Fisheries Heritage Preservation Initiative	(62,662)	(27,744)
Newman Wine Vaults Project	-	(23,475)
	<u>(336,107)</u>	<u>(242,469)</u>
Government of Canada:		
Historic Places Initiative	(276,791)	(284,550)
	<u>(612,898)</u>	<u>(527,019)</u>
<u>Increase during the year</u>	<u>168,886</u>	<u>81,006</u>
<u>Balance, end of year</u>	<u>\$ 349,977</u>	<u>\$ 181,091</u>

**6. Fund balance**

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.

As at 31 March 2007, \$170,760 (2006 - \$176,119) of this Fund has been committed in the form of grants approved but not yet disbursed or rescinded. The allocation of the Fund balance between committed and uncommitted funds is:

	2007	2006
Committed funds	\$ 170,760	\$ 176,119
Uncommitted funds	21,226	36,427
<u>Fund balance</u>	<u>\$ 191,986</u>	<u>\$ 212,546</u>

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**6. Fund balance (cont.)**

The Foundation adopted a policy with respect to grant commitments requiring that all grants approved will be available for a period of two years from the date of grant approval. Clients not utilizing the grants within this timeframe will forfeit their right to these grants.

**7. Government of Canada**

On 4 April 2003, the Province entered into a Contribution Agreement with the Government of Canada to fund the Historic Places Initiative. The objectives of the Contribution Agreement are to develop an online Provincial Registry of Historic Places and to develop and implement programs related to promoting and integrating the Historic Places Initiative at the Provincial level in Newfoundland and Labrador.

The Province has appointed the Foundation to administer this Initiative on its behalf. During the year the Foundation recognized revenue relating to this Initiative in the amount of \$276,791 (2006 - \$284,550). In addition, the Foundation received capital contributions in the amount of \$12,337 (2006 - \$25,440) relating to this Initiative. This amount was applied towards the acquisition costs of systems development and computer equipment.

**8. Operating lease obligation**

Office equipment has been leased by the Foundation. Minimum lease payments for the next four years are as follows:

2008	\$ 4,197
2009	\$ 4,197
2010	\$ 4,197
2011	\$ 4,197

**9. Related party transactions**

The Foundation leases office space from the Province of Newfoundland and Labrador at an annual rate of \$1.

**10. Financial instruments**

The Foundation's financial instruments recognized on the balance sheet consist of cash, investments, accounts receivable, investment income receivable and accounts payable and accrued liabilities. The carrying values of these instruments approximate current fair value due to their nature and the short-term maturity associated with them. Accounts receivable is due primarily from the Government of Canada and Province of Newfoundland and Labrador and therefore there is no credit risk associated with this amount.

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**11. Economic dependence**

As a result of its reliance on future transfers from the Province of Newfoundland and Labrador to fund its operations, the Foundation's ability to continue operations is dependent upon the decisions of Government.

**12. Income taxes**

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.

**13. Comparative figures**

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

**14. Severance pay policy**

During the year, the Foundation adopted a policy of accruing severance pay for its employees. This policy will result in accrued severance pay being recorded in fiscal years commencing with 2006-07. As the decision to adopt a policy of accruing severance pay represents a condition that did not occur previously, it is being applied prospectively.