

Wooden Boat Museum of Newfoundland and Labrador

Report of Activities October 2019 – March, 2021



Prepared by:

Jim Dempsey – President
Wallace Pinhorn - Treasurer



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1.0 INTRODUCTION

This document is a summary of the activities undertaken by the Wooden Boat Museum of Newfoundland and Labrador (WBMNL) during the period April, 2019 to March 2021. The reporting period is greater than usual as the pandemic prevented scheduling a weekend conference and AGM in September, 2020.

The report has been prepared for distribution in advance of the Annual General Meeting to be held on Zoom on March 6, 2021. While the report covers activities in this period, an auditor's financial statement for the 2019-20 fiscal year is presented in Section 6.3.

2.0 2019-20 HIGHLIGHTS

2.1 Museum Renovations

Funded by the VE3P program, a partnership funded by WBMNL, ACOA (federal) and TCII (provincial), the renovations to the museum building were completed prior to a Grand Opening in June, 2019. Notable features are the completion of the boat builders display in the "People and Place" exhibit, the creation of a functional gift shop in a central reception area, and the installation of a small elevator to ensure that the upper level of the museum is accessible to all. With the assistance of the Idea Factory, the colours and themes of the museum (echoed on our revised website) have created a fresh and powerful brand for the organization.



2.2 SUF Lodge No. 2 Transfer

After much discussion and good will, the Society of United Fishermen (SUF) lodge No. 2 building was donated to the Town of Winterton and the contents were donated to the Wooden Boat Museum with the understanding that any activities would be managed by WBMNL. To date, the Lodge building has seen little use but is being maintained.

2.3 Museum Visitation

The 2019 summer season at the museum on a high note after a successful summer season at the museum in Winterton in which we had the highest visitation ever, including hosting all of the grade eight social studies classes from three junior high schools.

2.4 TIAC Award

In November, 2019, WBMNL was honoured by the Tourism Industry Association of Canada by being awarded the Community Leadership award at the annual TIAC conference. Jim Dempsey and Beverly King travelled to Ottawa to receive the award.



2.5 2020 GALA

On March 6, 2020, we held our biennial fundraising Gala at the Capital Hotel in St. John's. Timing was fortunate as COVID-19 restrictions were put in place one week later. The event was our most successful ever, meeting our attendance target and providing the highest net profit to date.

3.0 2020 - MUSEUM IN WINTERTON

3.1 Operating in a Pandemic?

Through the growing pandemic response, the board of directors and the executive met regularly to monitor social conditions and to determine if a plan could be developed to see if the museum in Winterton could be opened at all for the summer season. Following the release of the June provincial guidelines for opening community museums and in appreciation of the employment subsidy programs offered by the federal government, WBMNL developed a plan and an operating budget to open the museum in early July.

The museum was open on Wednesdays to Sundays from early July until late September. Staff was reduced to a minimum and consisted of our most experienced summer workers. The gift shop was stocked with local crafts and the boat shed was limited to visitor viewing only. Pandemic precautions included:

- Pandemic signage was placed throughout the museum building and the boatshed;
- All staff and visitors were required to wear masks;
- Number of visitors in the building at one time was limited;
- The exhibit and craft shop areas were divided into distinct zones and visitors were required to follow a one-way route through the building using the main door for entry and a side door for exit;
- All staff were trained in proper pandemic hygiene procedures and disinfected both buildings regularly throughout each day the museum was open.

3.2 A Tactical Approach

Under the circumstances, the summer can be considered a success in that visitation was double what was predicted in our forecast budget and the craft shop was very popular. As most product were sold on commission, the museum and local crafts persons were all able to benefit. WBMNL believes that the provincial 'staycation' initiative was a success.

3.3 2020 - Personnel

Reduced operations in projects, workshops, and museum activities resulted in a reduction in staff both in number and working hours. Once the pandemic has passed, WBMNL should be able to start recruiting summer staff again.

Succession, a common concern for not-for-profit organizations became a reality at the end of the summer season when Beverly King, our long-time Project Manager advised the board that she would be leaving to open a bakery to service the Baccalieu Trail area. We wish her the best but she is missed.



4.0 WORKSHOPS

Following our last AGM, we had several opportunities to deliver traditional experiences. However, once pandemic requirements were established for social distancing and maintaining clean tools and materials, the workshop program was very limited in 2020.

4.1 Heritage Skills for Old and Young

In October, 2019, Jim Dempsey, Jerome Canning, and David Gill visited the Alderwood Retirement Centre in Witless Bay to deliver a heritage skills session to the residents and the senior technology class at Mobile Central High School. The kids learned a bit about boat building, the elders recounted days gone by, and the students treated us to a set of traditional Newfoundland music.



4.2 Lines Taking Weekend at the Rooms

In December, 2019, Jerome Canning and several WBMNL members demonstrated the process of taking the lines off of a traditional Newfoundland punt. The boat that was measured was a punt that Jerome had built in 2007 for display at the Rooms in St. John's. The session was scheduled to take advantage of higher visitation at Christmas.

4.3 MUN Workshop

In early January, WBMNL began the fourth annual boat building night course held at the Memorial University education technology lab. The night course is now linked to Ed 4979, a MUN elective taught by Jerome Canning of WBMNL. Registration for each was full and both programs and both got off to a good start. After being disrupted by "Snowmageddon" and the onset of COVID-19, the university began to restrict on-campus activities and, on March 17, we had to leave boat, tools, and materials behind until June when WBMNL had special permission to clean out the shop and move everything to the boat shed in Winterton. Jerome Canning did finish the boat in July and it was then sold.



4.4 A Summer Punt

WBMNL was unable to offer any of its usual one-day and five-day boat building and heritage skills workshops through the 2020 summer season. The boatshed was configured for demonstration by allowing visitors to stand at the open loading door and view activities inside. We used this opportunity to build another Marcus French Rodney which will become an asset for sale. Jerome had some voluntary assistance from past participants in our MUN night class program. This was possible during the pandemic as:

- Visitors had to stay behind a physical barrier at the viewing area;
- Only one assistant was allowed to participate at any one time;
- Both visitors and workers wore masks at all times;
- The assistant had enough experience to not require close supervision so personal distancing was possible; and
- The assistant was assigned a personal set of tools that was sanitised before and after the day's work.

4.5 Children's Workshops

The pandemic made it impossible to offer children's workshops scheduled in 2020. Sessions that were cancelled included:

- Junior high school visits to Winterton;
- Visits to junior high schools for in class sessions;
- Twice-weekly junior builders sessions at Winterton; and
- Summer day-camp sessions.

Cancellation of these workshops represented a significant loss of revenue and visitation.

5.0 OTHER ACTIVITIES

5.1 Presentations

In a time when personal interaction must be minimal, WBMNL has learned to interact virtually. The use of online meeting applications has made it easier for us to come together, no matter where we may be. This technology has also allowed WBMNL to present its message during the pandemic to other interested groups such as:

- The Newfoundland and Labrador Historical Society; and
- The Virtual Wooden Boat Festival in Port Townsend, WA, USA.

5.2 David Taylor Personal Library

David Taylor, long the patron of the Wooden Boat Museum, has retired from the Library of Congress in Washington, DC. In reflecting on his retirement, David offered us his personal collection of boat building books. After considering the value of this collection and the need for proper, curation, the board suggested that the books should be donated to Memorial University with the result that the collection is now housed at the MUN Maritime History Archive.

6.0 TREASURER'S REPORT – 2019-20

6.1 Income Statement

Total Museum Revenues for the fiscal year ending March 31, 2020, were \$404,290 of which ACOA provided \$130,903 (32%), WBMNL \$228,456 (57%) and TCII (Province of NL) \$44,931 (11%). WBMNL self-generated 76% of its \$228,456 revenue from:

- Membership fees
- Merchandise sales;
- Gala
- Workshop fees and contracts;
- Conference fees;
- Museum admissions;
- Boat sales;
- Partnership, donation, and investment income;

The remaining 24% was funded by:

- Feasibility study; and
- Provincial operational and student grants.

WBMNL total expenses for the period were \$410,818, of which \$231,172 were Special Project expenses shared by ACOA (\$130,903 – 57%) and TCII (\$44,931 – 19%) and WBMNL (\$55,338 – 24%) and the balance of \$179,646 being direct museum operations.

Museum Total Operating Expenses were \$234,984 (\$179,646 + \$55,338) from its direct operating expense and contribution to the Special Projects. WBMNL revenue was \$228,456 resulting in a \$6,528 operating loss for the 2019-20 year.

6.2 Balance Sheet

Total Assets are \$360,610 comprised of \$130,361 Current Assets and \$230,162 Property and Equipment. Total Liabilities are \$360,610 comprised of \$11,591 in Current Liabilities and \$349,019 in Net Assets (including \$118,855 in unrestricted Cash and Investments).

6.3 Auditor's Report

A financial statement prepared by Coombs and Associates, the WBMNL auditor, is presented on the following pages.

**Wooden Boat Museum of
Newfoundland and Labrador**
Financial Statements
March 31, 2020

Coombs & Associates
Chartered Professional Accountants

Wooden Boat Museum of Newfoundland and Labrador

March 31, 2020

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Coombs & Associates

Chartered Professional Accountants

Roger Coombs & Associates
Professional Corporation
Roger K. Coombs, CPA, CA

Independent Auditors' Report

To the Board of Directors
Wooden Boat Museum of Newfoundland and Labrador

Opinion

We have audited the financial statements of Wooden Boat Museum of Newfoundland and Labrador, which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wooden Boat Museum of Newfoundland and Labrador as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Location:

27 Breemigens Blvd.
Paradise, NL
A1L 4A2

Ph: (709) 745-1200
(709) 579-1005
Fax: (709) 745-1204

Mailing address:

P.O. Box 447
Mount Pearl, NL
A1N 3C4



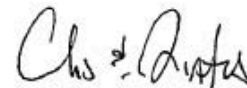
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Paradise, Newfoundland and Labrador
September 24, 2020

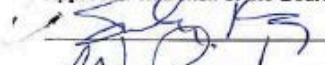

Coombs & Associates
Chartered Professional Accountants

Wooden Boat Museum of Newfoundland and Labrador

Statement of Financial Position
March 31, 2020

	2020	2019
Assets		
Current Assets		
Cash	\$ 48,338	\$ 73,923
Short term investments	50,825	100,903
Accounts receivable (Note 2)	15,482	6,433
Inventory	12,903	8,659
Prepays	2,813	3,006
	130,361	192,924
Property and equipment (Note 3)	230,164	230,164
Incorporation costs	85	85
	\$ 360,610	\$ 423,173
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 5,374	\$ 6,545
Deferred revenue	6,217	61,061
	11,591	67,626
Net Assets		
Investment in property and equipment	230,164	230,164
Unrestricted	118,855	125,383
	349,019	355,547
	\$ 360,610	\$ 423,173

Approved on Behalf of the Board:

 Director
 Director

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

Wooden Boat Museum of Newfoundland and Labrador
Statement of Operations
For the Year Ended March 31, 2020

	2020	2019
Revenue		
Project grants - Federal	\$ 108,293	\$ 188,352
Grants - Other	80,945	49,087
Gala	70,664	-
Project grants - Provincial	42,154	83,748
Sales and admissions	36,053	23,718
Other revenue	28,441	39,958
Workshop fees	19,098	39,070
Donations	9,916	3,656
Membership fees	4,546	4,684
Conference fees	4,180	5,128
	404,290	437,401
Operating expenses		
Project costs (Note 4)	231,172	338,094
Salaries and benefits	89,507	83,726
Professional fees	22,967	5,911
Gala	14,642	104
Catering	11,733	3,290
Cost of merchandise sold	10,572	5,972
Office	6,271	4,363
Utilities	4,866	3,934
Miscellaneous	4,582	3,187
Production costs	4,018	6,198
Interest and bank charges	3,885	2,086
Insurance	2,877	2,726
Travel	1,871	1,169
Advertising and promotion	1,441	2,060
Honorariums	414	449
Exhibitions	-	967
	410,818	484,236
Excess of expenditures over revenue	\$ (6,528)	\$ (26,835)

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

Wooden Boat Museum of Newfoundland and Labrador**Statement of Changes in Net Assets
For the Year Ended March 31, 2020**

	2020	2019
Unrestricted net assets, beginning of year	\$ 125,383	\$ 152,218
Excess of expenditures over revenue	(6,528)	(26,835)
Unrestricted net assets, end of year	\$ 118,855	\$ 125,383

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

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Coombs & Associates
Chartered Professional Accountants

Wooden Boat Museum of Newfoundland and Labrador
Statement of Cash Flows
For the Year Ended March 31, 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess of expenditures over revenue	\$ (6,528)	\$ (26,835)
Changes in other non-cash working capital items		
Accounts receivable	(9,049)	32,151
Inventory	(4,244)	4,048
Prepays	193	1,160
Accounts payable and accrued liabilities	(1,170)	170
Deferred revenue	(54,865)	58,427
	(75,663)	69,121
Net (decrease) increase in cash and cash equivalents	(75,663)	69,121
Cash and cash equivalents at beginning of year	174,826	105,705
Cash and cash equivalents at end of year	\$ 99,163	\$ 174,826
Cash and cash equivalents consist of the following:		
Cash	\$ 48,338	\$ 73,923
Short term investments	50,825	100,903
	\$ 99,163	\$ 174,826

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

Wooden Boat Museum of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2020

1. Significant Accounting Policies

Nature of operations

Wooden Boat Museum of Newfoundland and Labrador (the organization) is a not for profit Corporation with charitable status. The organization operates as a professional archivist, conservator and exhibitor of the Province of Newfoundland and Labrador's history and knowledge of wooden boats, their economic importance and contribution to community life.

The Wooden Boat Museum of Newfoundland and Labrador is a not for profit organization and is exempt from income taxes under section 149(l) of the Income Tax Act of Canada.

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations.

Fund accounting

The organization follows the deferral method of accounting for contributions. Under the deferral method contributions are recognized as revenue in the period in which the related expenses are incurred.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

Property and equipment

Property and equipment consists of assets donated or purchased by the organization. Charitable receipts for donated assets are issued equal to the fair market value of the asset. No amortization is recorded on these assets.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recorded as revenue in the restricted project fund.

Unrestricted contributions are recorded in the operating fund when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Membership dues and other revenue is recognized when assessed or collection is reasonably assured. Sales of merchandise are recognized in accordance with industry practice which is when all the risks and benefits of ownership of products have been transferred to customers.

Wooden Boat Museum of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2020

1. Significant Accounting Policies continued

Financial Instruments

The organization has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes estimates with respect to the collectibility of accounts receivable and the valuation of inventory. Actual results could differ from those estimates and may have an impact on future periods.

2. Accounts receivable

	2020	2019
Accounts receivable	\$ 10,873	\$ 240
HST rebate	4,609	6,193
	\$ 15,482	\$ 6,433

3. Property and equipment

	2020	2019
Furniture and equipment	\$ 205,716	\$ 205,716
Computer software	16,158	16,158
Boats	4,600	4,600
Art	3,690	3,690
	\$ 230,164	\$ 230,164

Wooden Boat Museum of Newfoundland and Labrador

Notes to the Financial Statements
For the Year Ended March 31, 2020

4. Project costs

	2020	2019
Salaries and wages	\$ 93,314	\$ 135,689
Materials	63,494	14,795
Marketing	38,444	57,369
Repairs and maintenance	14,360	85,284
Professional fees	7,190	8,780
Operating	5,718	7,722
Travel	4,966	26,027
Training	3,686	2,428
	\$ 231,172	\$ 338,094

5. COVID-19

On March 11, 2020, the World Health Organization assessed the coronavirus outbreak (COVID-19) as a pandemic. The outbreak has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The extent to which COVID-19 impacts the future financial results of the Wooden Boat Museum of Newfoundland and Labrador will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and actions taken to contain the virus or its impact, among others.

6. Credit risk

The organization does not face significant credit risk exposure. The fair values of items that meet the definition of financial instruments approximate their carrying values. These items include accounts receivable and accounts payable and accrued liabilities.