

Wooden Boat Museum of Newfoundland and Labrador

Report of Activities April 2021 – March, 2022



Prepared by:

Jim Dempsey
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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, 2022 to March 2022. The report has been prepared for distribution in advance of the Annual General Meeting to be held on Zoom on March 12, 2022. The report covers activities in this period, and the annual auditor's financial statement for the 2021-22 fiscal year is presented in Section 5.2.

2.0 2021 - MUSEUM IN WINTERTON

2.1 Operating in a Pandemic

Through the ongoing 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 ensure that the museum in Winterton could be opened for the summer season. Provincial pandemic guidelines during the summer, along with federal and provincial wage subsidies allowed the museum to open on the same terms as in 2020.

The museum was open on Wednesdays to Sundays from early July until early 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.

2.2 A Tactical Approach

Under the circumstances, the summer can be considered a success in that visitation was increased over 2020 and the craft shop was very popular. As most products 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.

2.3 Museum Visitation

The 2021 summer season visitation was 1156, 10% higher than in 2020 (1076 visitors) and revenues and expenses were in keeping with the budget projection developed in April, at the beginning of the 2021-22 fiscal year.

2.4 2021 - 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.

Museum staffing during the 2021 summer season was at the same level as 2020 – Museum Manager, Boat Builder, Chief Interpreter, and four Student Interpreters. This team was able to manage operations in a season when the upstairs community museum was closed and the museum only operated five days a week.

WBMNL advertised for an Executive Director to replace Beverley King. None of the applicants were suitable and so the position remains vacant. In February, WBMNL advertised for a seasonal manager for the museum in Winterton. At the time of writing, it appears that we will be able to hire a Museum Manager for the 2022 summer season.

3.0 ACTIVITIES

3.1.1 Winterton Boat Shed

Unfortunately, the pandemic did not allow for any boat building workshops in the last year. Boat building activity in the museum boat shed was limited to Jerome Canning working behind a barrier at the loading door. Jerome was able keep our visitors interested as he was always busy and as communicative as ever.

3.1.2 MUN Winter Night Course

We were hopeful that WBMNL could conduct another 12-week session in 2022 to build the 16 ft. 4 in. Marcus French Rodney at the Technical Education Centre at Memorial University. Unfortunately, the course had to be cancelled a few days before the scheduled start when MUN reassessed its COVID-19 policies for non-university personnel. We are hopeful that we will stage a MUN workshop in 2023.

3.2 Presentations

Jim Dempsey delivered two virtual presentations to international audiences. The first was in April to ‘Sing the North’ an international choral group who focus on the northern environments of Europe and North America. The second was to the Cape Cod Maritime Museum as part of their monthly Sunday lecture series.

3.3 Canada Day in Winterton

The Wooden Boat Museum hosted Canada Day celebrations in Winterton. Events included a parade of decorated bicycles, Singing of O Canada at the war memorial and a hamburger picnic in the parking area next to the museum boat shed. All activities were set up to comply with current pandemic protocols.

3.4 Yoga at the SUF

On the last weekend in August, Lisa and Lori Pinhorn held a 3-day yoga retreat for 30 participants at the SUF Lodge. This was the first non-museum event held at the lodge.

4.0 PROJECTS

4.1 Visitor Experience through Programs, Products, and Partnerships

4.1.1 VE3P Reallocation

Our most recent project *Visitor Experience through Programs, Products, and Partnerships* (VE3P) funding from ACOA and the province has been reactivated and the outstanding budget has been reallocated for further development of our operations. Significant aspects of this program include the initial development of an activity centre in the small shed behind the Winterton museum and the first stages of the creation of a traditional Newfoundland punt that can be built from plywood parts that have been pre-cut using computer-aided technology and a digital design (see Section 4.3).

4.1.2 VE3P Extension

We have applied for an extension to the VE3P program that would support us until September, 2023. As well as continued support for the areas proposed in the original and reallocated VE3P programs, the completion of the kit boat and the activity centre programs should add exciting new heritage experiences for our visitors to enjoy.

4.2 Come Home Year

The SUF sub-committee has submitted two applications for funding under the 2022 provincial *Come Home Year Program*:

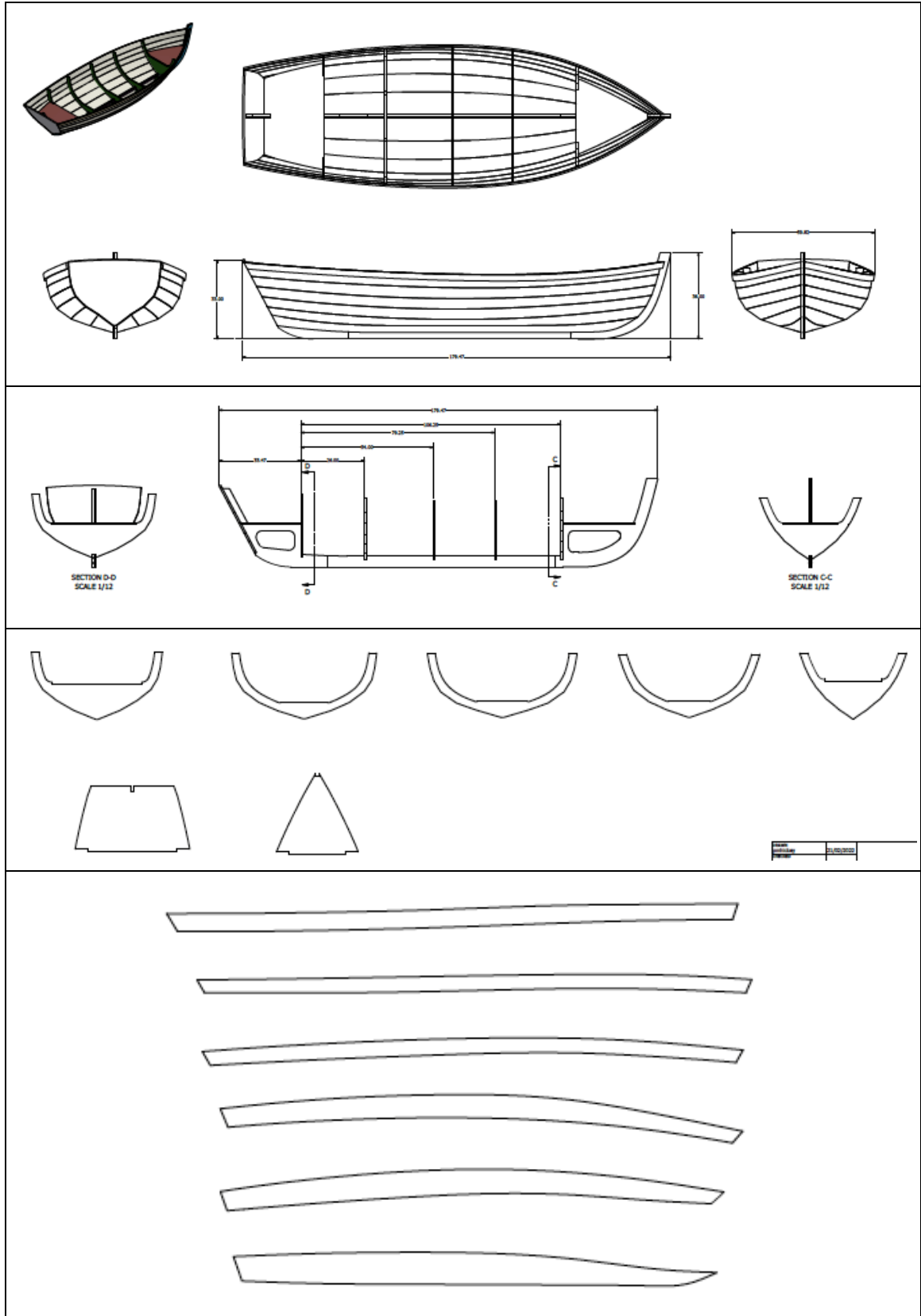
- Infrastructure improvement for the Lodge No. 2 building; and
- Developing interpretive materials of the SUF in Winterton.

Both proposals address the level of improvement we would like to see for the SUF Lodge.

4.3 Kit Boat Project

The theme of this project is to create a boat that can be sold as a kit consisting of pre-fabricated parts that can be assembled by amateur builders with few or no traditional boat building skills. This *Kit Boat* will be an addition to the current suite of WBMNL boat building experiences. While the construction materials and techniques will be different from the traditional boats built by WBMNL, the shape and aesthetics of the boat will be very much in keeping with the design of a traditional Newfoundland punt. Jerome Canning built a full-scale prototype last summer using traditional design and construction techniques. The final product will be a completely digital design whose parts are cut by a machine.

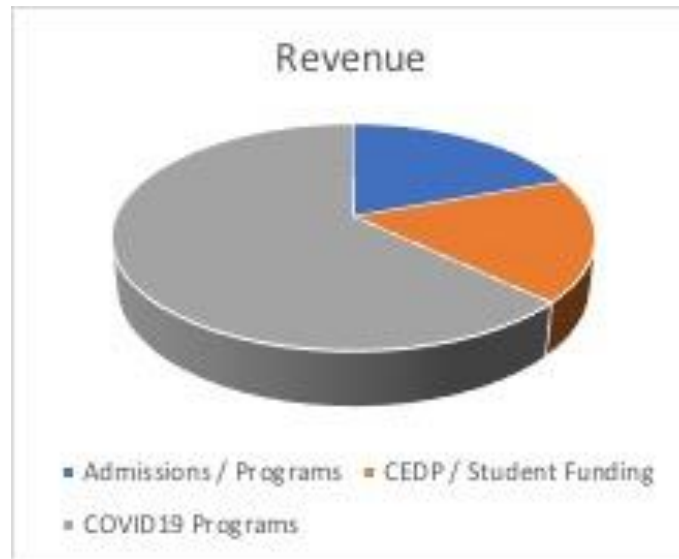




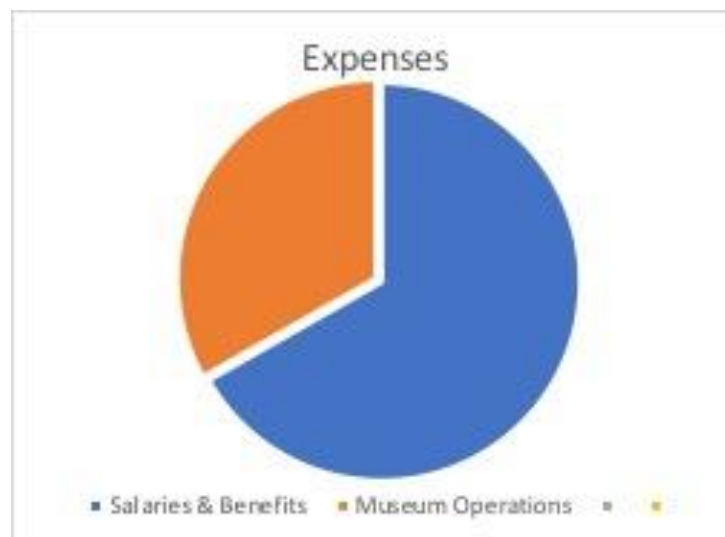
5.0 FINANCIAL REPORT – 2021-22

5.1 Treasurer’s Report

Total Museum Revenues for the fiscal year ending March 31, 2021, were \$144,706, of which \$28,230 was generated through Museum Admissions/Programs, \$25,445 through CEDP Operational Support and Student Funding, and \$91,031 through COVID19 Program. Project funding was suspended due to COVID-19 pandemic restrictions.



Museum total expenses for the period were \$115,013, of which \$76,806 was salary and benefit costs and the \$38,207 balance being direct Museum Operations.



5.2 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, 2021
(Unaudited)

Coombs & Associates
Chartered Professional Accountants

Wooden Boat Museum of Newfoundland and Labrador

March 31, 2021

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Coombs & Associates
Chartered Professional Accountants

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

Independent Practitioners' Review Engagement Report

To the Board
Wooden Boat Museum of Newfoundland and Labrador

We have reviewed the accompanying financial statements of Wooden Boat Museum of Newfoundland and Labrador that comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, 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.

Practitioner's Responsibility

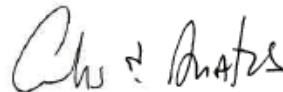
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Wooden Boat Museum of Newfoundland and Labrador as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.



Chartered Professional Accountants

Paradise, Newfoundland and Labrador
September 28, 2021

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Wooden Boat Museum of Newfoundland and Labrador

Statement of Financial Position March 31, 2021

(Unaudited)

	2021	2020
Assets		
Revenue		
Cash	\$ 40,441	\$ 48,338
Short term investments	165,664	50,825
Accounts receivable (Note 2)	1,060	15,482
Inventory	8,936	12,903
Prepays	2,446	2,813
	218,547	130,361
Property and equipment (Note 3)	230,164	230,164
Incorporation costs	85	85
	\$ 448,796	\$ 360,610
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,867	\$ 5,374
Deferred revenue	6,217	6,217
	10,084	11,591
Canada Emergency Business Account loan (Note 4)	60,000	-
	70,084	11,591
Net Assets		
Investment in property and equipment	230,164	230,164
Unrestricted	148,548	118,855
	378,712	349,019
	\$ 448,796	\$ 360,610

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, 2021

(Unaudited)

	2021	2020
Revenue (Note 5)	\$ 144,706	\$ 404,290
Operating expenses		
Salaries and benefits	76,806	89,507
Cost of merchandise sold	8,891	10,572
Utilities	5,507	4,866
Professional fees	5,009	22,967
Production costs	3,383	4,018
Insurance	3,018	2,877
Gala	2,550	14,642
Advertising and promotion	2,424	1,441
Office	2,316	6,271
Miscellaneous	1,734	4,582
Interest and bank charges	1,433	3,885
Travel	1,142	1,871
Honorariums	800	414
Project costs (Note 6)	-	231,172
Catering	-	11,733
	115,013	410,818
Excess (deficiency) of revenue over expenditures	\$ 29,693	\$ (6,528)

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, 2021***(Unaudited)*

	2021	2020
Unrestricted net assets, beginning of year	\$ 118,855	\$ 125,383
Excess (deficiency) of revenue over expenditures	29,693	(6,528)
Unrestricted net assets, end of year	\$ 148,548	\$ 118,855

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

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

Statement of Cash Flows

For the Year Ended March 31, 2021

(Unaudited)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) of revenue over expenditures	\$ 29,693	\$ (6,528)
Changes in other non-cash working capital items		
Accounts receivable	14,422	(9,049)
Inventory	3,967	(4,244)
Prepays	367	193
Accounts payable and accrued liabilities	(1,507)	(1,171)
Deferred revenue	-	(54,864)
	46,942	(75,663)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Canada Emergency Business Account loan	60,000	-
Net increase (decrease) in cash and cash equivalents	106,942	(75,663)
Cash and cash equivalents, beginning of year	99,163	174,826
Cash and cash equivalents, end of year	\$ 206,105	\$ 99,163
Cash and cash equivalents consist of the following:		
Cash	\$ 40,441	\$ 48,338
Short term investments	165,664	50,825
	\$ 206,105	\$ 99,163

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, 2021

(Unaudited)

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.

Cash and cash equivalents

Cash and cash equivalents includes short-term investments and highly liquid investments in money market instruments which are carried at the lower of cost and market value.

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.

Wooden Boat Museum of Newfoundland and Labrador

Notes to the Financial Statements For the Year Ended March 31, 2021

(Unaudited)

1. Significant Accounting Policies continued

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.

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 private enterprises 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 impact on future periods.

2. Accounts receivable

	2021	2020
Accounts receivable	\$ -	\$ 10,873
HST rebate	1,060	4,609
	\$ 1,060	\$ 15,482

Wooden Boat Museum of Newfoundland and Labrador

Notes to the Financial Statements For the Year Ended March 31, 2021

(Unaudited)

3. Property and equipment

	2021	2020
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

4. Canada Emergency Business Account (CEBA) loan

The CEBA loan is unsecured and guaranteed by the Government of Canada, non-interest bearing and if repaid prior to January 1, 2023, \$20,000 of the principal is forgivable. If the loan is not repaid prior to January 1, 2023, the original principal is converted to a three year term loan bearing interest at 5%, repayable in monthly payments of interest only with outstanding principal due in full by December 31, 2025.

5. Revenue

	2021	2020
Grants - Other	\$ 66,295	\$ 80,945
Canada Emergency Wage Subsidy	45,181	-
Sales and admissions	13,689	36,053
Other revenue	5,264	28,441
Project grants - Provincial	5,000	42,154
Membership fees	3,260	4,546
Donations	4,734	9,916
Workshop fees	1,283	19,098
Project grants - federal	-	108,293
Gala	-	70,664
Conference fees	-	4,180
	\$ 144,706	\$ 404,290

Wooden Boat Museum of Newfoundland and Labrador

Notes to the Financial Statements For the Year Ended March 31, 2021

(Unaudited)

6. Project costs

	2021	2020
Materials	\$ -	\$ 63,494
Salaries and wages	-	93,314
Marketing	-	38,444
Repairs and maintenance	-	14,360
Professional fees	-	7,190
Operating	-	5,718
Travel	-	4,966
Training	-	3,686
	\$ -	\$ 231,172

7. 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.

8. 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.