

Fort McMurray Heritage Society



Roseann Davidson – Executive Director
Steve Huffman – Treasurer

November 27, 2019

Organization Mandate & Goals

- "The Fort McMurray Heritage Society exists so that the people of Fort McMurray, Alberta, the Municipality of Wood Buffalo, visitors from Alberta and Canada and international visitors learn about history and culture in ways that enhance their lives socially, intellectually and economically."
- Community & Geographic area served: The Regional Municipality of Wood Buffalo, domestic and international visitors, educators, students and researchers.

Operating Goals for 2020

- Focus on our collections management and the rehousing of our artifacts and archives and develop new interpretive programs.
- Concentrate on the preservation of large artifacts including buildings, train cars, and ships. Ship exhibits will be upgraded to facilitate additional learning opportunities.
- Expand our facility rentals and special event bookings.
- Maintain standards of excellence in children's programming.

Programs Funded By The Grant

- The Fort McMurray Heritage Society will primarily use this funding for staff wages.
- Every element of our operations requires employees. This funding will support our operations that includes programs, events, collections, grounds & maintenance.
- In past years, staff were partly supported by grants. Due to the changing economic climate, we have found a reduction in monetary support for museums.
- Although gift shop and rentals help generate funds that support our museum operations, it is not sufficient revenue to support two Cultural Centres.
- We differ from other non-profits as we are required to uphold high standards as an Alberta Recognized Museum. Therefore, it is essential that we employ qualified staff, museum professionals, and contractors.
- If funding is granted, we will offer a broader range of cultural events such as an Easter Egg Hunt, International Museums Day, Canada Day, Heritage Day, Culture Days, Harvest Festival, Archives Event, and Old Fashioned Christmas.

Community Impact

- Heritage Village and Shipyard are two key locations that anchor Fort McMurray's Arts & Culture District. In 2018 we had 22,000+ visitors through admissions, school programs, summer camp registrations, FMHS events & private event attendees.
- Strengthen our community's awareness on the value of Culture & Heritage.
- Improve quality of life for residents of Wood Buffalo by providing two museums and many cultural events.
- Provide valuable research services relating to heritage in the region.
- Engage local & Canadian artists to provide a unique line of giftware in our Gift Shop.
- Promote and share the history of our region through attending community events and participating in trade shows, which enhances the local economy and supports tourism.
- Align with the Wood Buffalo Culture Plan, RMWB Strategic Plan, and the Social Sustainability Plan.
- Collaborate with major groups including Arts Council Wood Buffalo and the Multicultural Association to host community events at Heritage Village and Shipyard.

2020 Grant Request

| 2020 Grant Request | |
|---|-------------|
| Revenue | \$1,085,000 |
| Expense | \$1,785,000 |
| Subsidy Requested | \$700,000 |
| Subsidy represents 39% of total expenses | |

| Previous Year's Financial Information | |
|---------------------------------------|-------------------|
| Last Fiscal Year End Date | December 31, 2018 |
| Total expenses from previous year | \$1,861,713 |
| Unrestricted Net Assets | \$1,273,135 |

Expense Summary

| Cost Category | Total Expense | Funded by RMWB |
|---|---------------|----------------|
| Salary/Wages (12 full time, 3 part time) | \$826,500 | \$700,000 |
| Program Costs | \$423,500 | \$0 |
| Overhead (utilities, insurance, etc.) | \$535,000 | \$0 |
| TOTAL | \$1,785,000 | \$700,000 |

Community Investment History

| 2020 Request | 2019 | 2018 |
|--------------|-----------|------|
| \$700,000 | \$380,000 | \$0 |

The increase in 2020 of \$320,000 is due to increased costs across all areas of operating both of our museums. This includes higher utilities, and repairs and maintenance to aging buildings and ships. Additionally, there has been community demand for more cultural events and the need to return to regular staff numbers in order to maintain standard operations after surviving on a skeleton staff since re-opening in 2017.

Fort McMurray Heritage Society

2020 Sustaining Grant Analysis

CIP Grant Summary:

| | | | | 2020 Recommended by CIP | Variance Recommended vs. Requested |
|---------|------|---------|---------------------|--|---|
| 2017 | 2018 | 2019 | 2020 Request | | |
| 700,000 | - | 380,000 | 700,000 | 380,000 | (320,000) |

| Fiscal Year End | Total Expenses | Unrestricted Net Assets |
|------------------------|-----------------------|--------------------------------|
| December 31, 2018 | 1,861,713 | 1,273,135 |

Notes:

Administrative recommendation is to provide 2020 grant at the current level, \$380,000. The Organization is still holding Unrestricted Net Assets over \$1.2M, and funding the full request runs risk of them becoming ineligible in the future.

| Budget Line Description | 2020 Total Budget | 2020 Grant Request | 2020 Recommended |
|---|------------------------------|-------------------------------|-----------------------------|
| Revenues | | | |
| RMWB Sustaining Grant | 700,000 | 700,000 | 380,000 |
| Donations/Fundraising/Archival Research | 5,000 | - | - |
| Programs & Services | 271,500 | - | - |
| Fundraising (Casino) | 35,000 | - | - |
| Grants | 70,000 | - | - |
| Special Events | 10,000 | - | - |
| Museum Gift Shop | 240,000 | - | - |
| Other Funding Sources | 453,500 | - | - |
| Total Revenues | \$ 1,785,000 | \$ 700,000 | \$ 380,000 |
| Expenses | | | |
| Salaries/Wages/MERC | 826,500 | 700,000 | 380,000 |
| Advertising | 30,000 | - | - |
| Utilities/Waste Management | 48,000 | - | - |
| Museum Gift Shop | 172,500 | - | - |
| Programs/Services | 157,000 | - | - |
| Employee Relations | 6,000 | - | - |
| Office Expenses | 25,500 | - | - |
| Security | 37,000 | - | - |
| Accounting and Legal Fees | 50,000 | - | - |
| Repairs/Building Maintenance | 299,500 | - | - |
| Insurance | 45,000 | - | - |
| Collections Care Maintenance | 88,000 | - | - |
| Total Expenses | \$ 1,785,000 | \$ 700,000 | \$ 380,000 |
| Total Surplus (Deficit) | \$ - | \$ - | \$ - |

2020 Sustaining Grant Application for Grant Funding

The grant program under which your organization is applying has specific eligibility requirements. The Application Form should clearly show how the proposed event meets these requirements. The Application Form, including all required attachments, must be received by the closing date. **Late or incomplete applications will not be processed (Community Investment Program Policy FIN-220, Section 3.1.5).**

In order to complete this application for funding, please read the following thoroughly:

- 2020 Sustaining Grant Guidelines

If you have reviewed the 2020 Sustaining Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

Organization Name: Fort McMurray Heritage Society

Declaration: In making this application, we, the undersigned, confirm:

- that we have read the Sustaining Grant Guidelines;
- that we understand that this application form and all attachments shall be part of the **public** Council agenda and accessible through all methods that the Council agenda is available;
- that we understand that this application form and all required attachments must be completed in full and received before 4:30 p.m. MT on Monday, September 23, 2019;
- that we understand the term of the Sustaining Grant is January 1 to December 31, 2020 and that all expenditures must happen during this term; and
- that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

Board Member(s) and/or
Executive Director Initials:

| | |
|-----------|-----------|
| <u>AL</u> | <u>RD</u> |
| <u>AL</u> | <u>RD</u> |
| <u>AL</u> | <u>RD</u> |
| <u>AL</u> | <u>RD</u> |
| <u>AL</u> | <u>RD</u> |


Signature of Board Member
(must have signing authority)
ANDY CARTER FOR
Carmen Ramstead, Board Chair
Print Name


Signature of Board Member or Executive Director
(must have signing authority)
Roseann Davidson
Roseann Davidson, Executive Director
Print Name

2019-09-23
Date: (YYYY-MM-DD)

2019-09-23
Date: (YYYY-MM-DD)

RECEIVED SEP 23 2019

Sustaining Grant Part A - Organization Summary

1. Organization Details

| | |
|------------------------------|--------------------------------|
| Organization Name: | Fort McMurray Heritage Society |
| Street Address: | 1 Tolen Drive |
| City/Hamlet: | Fort McMurray |
| Province: | Alberta |
| Postal Code: | T9H1G7 |
| Phone Number: | 780-791-7575 |
| Email Address: | execdirector@fmheritage.com |
| Act Registered Under: | Societies Act (Alberta) |
| Registration Number: | 5000-78910 |

Note: Organization must be in good standing to receive funding.

2. Main Contact

| | |
|-----------------------|-----------------------------|
| Title: | Roseann Davidson |
| Name: | Executive Director |
| Daytime Phone: | 780-791-7575 x228 |
| Email Address: | execdirector@fmheritage.com |

3. Executive Director

| | |
|-----------------------|-----------------------------|
| Name: | Roseann Davidson |
| Daytime Phone: | 780-791-7575 x228 |
| Email Address: | execdirector@fmheritage.com |

4. Board Chair / President

| | |
|-----------------------|-----------------|
| Name: | Carmen Ramstead |
| Daytime Phone: | s.17 (1) |
| Email Address: | s.17 (1) |

Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2020, please advise the Community Investment Program at CIP@rmwb.ca

Part B - Board Questionnaire

9. Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☐ No ☒

If yes, complete the following table:

| Board member name | Paid role on the board / organization | Amount received |
|-------------------|---------------------------------------|-----------------|
| | | |
| | | |
| | | |

10. What are the restrictions (if any) on becoming a member of your organization or participating in programs or services?

There are no restrictions on participating in programs and services. The only restrictions on becoming a member are those encompassed by the membership application process: prospective members must pay a membership fee and complete a criminal background check.

11. How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your organization?

The Board reviews the financial position of the agency at every board meeting (6 times per year); there is also an executive committee made up of the Chair, Vice Chair, Treasurer, and Secretary which reviews the organization's financial position monthly.

Heritage Village was closed between June 2013 to July 2017 due to the two local disasters: flood and then fire. During those four years the focus on-site was to salvage, repair, and rebuild. It was challenging to seek funding for operations and factor in sustainability when there was no normal operations at our main site. Since re-opening in 2017, and operating two museums for two full years in 2018 and 2019, we have now begun to increase our focus on achieving sustainability.

FMHS has attempted to increase the number and types of financial support this year by exploring new partnerships with locally-invested organizations such as oilsands companies and regional business associations as well as working in collaboration with arts and culture non-profit organizations. Many of these partnerships were either initiated or facilitated by Board members; for some of these partnerships the Board forms an action group of a few directors in order to work and negotiate with the new partners. Furthermore, directors are on several mailing lists and send FMHS staff any grant application opportunities they encounter.

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.

Part C - Strategic Plan

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Sustaining Grant subsidizes organizations to operate and maintain Municipally-owned assets and/or contribute toward the key strategic priorities identified above. Please indicate which category that is applicable to the organization.

- ☐ Operator of a Municipally-owned asset (Please continue to Part E on page 8)
- ☒ Provide programs and services related to the collection, preservation and display of regional heritage and culture in a museum setting (Strategy & Initiatives #1a and #1c)
- ☐ a) the development of the arts community (Strategy & Initiative #1f);
b) progression of interests of the social profit sector (Strategy & Initiative #1i);
c) advancement of cultural diversity (Strategy & Initiative #3f); or
d) promotion of the economic diversification of the Municipality (Strategy & Initiative #3b)
- ☐ Provides strategic programs/services that are of benefit to the entire region

Part D - Organization Questionnaire

12. What year did the organization complete its last business plan or strategic plan?

The Board Business Plan was reviewed this year with updates for 2020.

13. Provide a brief overview of the organization's strategic priorities:

Our strategic directions are divided into three categories: Market Strategies, Financial Strategies, and Programs and Exhibits Strategies. These strategic directions have been updated in 2019 to align with our participation in the development of the Wood Buffalo Culture Plan and the implementation of the recommendations outlined in it. In addition to our business plan, we consult our Master Plan to guide us through construction phases, and our interpretive master plan for exhibit content and delivery.

Our Market Strategies are to appeal to both adults and families, to focus on residents of the region with a secondary focus on tourists, and to prioritize school programs and programming for children and youth. Our Financial Strategies are to maintain a high perceived value reflected in our offerings while maintaining a commitment to make heritage accessible and inclusive to all members of the region. Additionally, we aim to earn a portion of income from programs and events rather than general admission fees. Our Programs and Exhibits Strategies are to invest in interactive and participatory exhibits and experiences, striking a balance between delivering content and igniting learning, and favouring definable marketable components and areas for children. It also includes increasing collaborations with other non-profits in arts and culture based on recommendations made in the Culture Plan.

In 2020, we aim to complete the Indigenous Village and begin the Heritage Storage Garage, continue to have the Heritage Village open for all year visitation, develop new interpretive programs, improve our rental performance, and maintain our standard of excellence in children's programming. We will continue to focus on our collections management and the rehousing of our artifacts and archives.

Part D - Organization Questionnaire

14. Describe the elements, activities, or events that the organization is seeking this funding for:

With two key locations that anchor the Fort McMurray Arts and Heritage District, Heritage Shipyard and Heritage Village, a main annual expense incurred by the Fort McMurray Heritage Society is for staffing. Every element of what we do requires staff, so this funding supports all of our activities, programs and general operations in some way. Staff funding is essential to maintaining educational programming, museum operations, conservation of the heritage of Wood Buffalo and the delivery of community events.

Some staff are partly supported by museum, federal or student grants. But each of these grants require that we provide matching funding to some degree. Some of our employees are supported by the revenue that we generate annually, through the gift shop, admissions, rentals, and programs; however, there are far more staff required to sustain two large facilities than that revenue can cover while still maintaining an accessible price point. With this funding we can maintain the personnel needed to continue to welcome over 22,000 visitors per year. Financial support is also required for skilled general contractors familiar with preservation and restoration work to maintain the quality of our artifacts. For instance, artifacts would include the historical buildings at Heritage Village and the vessels at Heritage Shipyard. Without this skilled labor, the quality of our museums will soon be significantly affected. Some examples of needed labor include rust removal and paint application to vessels and chinking and whitewashing on heritage buildings.

Based on feedback from the community and from the Wood Buffalo Culture Plan we are also seeking funding to hold several community events in 2020. Admission is either free or at a reduced admission rate to make our events accessible and inclusive to all people in Wood Buffalo. These events will also be held in partnership with other organizations to reduce duplication, increase collaboration, and share resources supporting the values outlined in both the Municipal Strategic Plan and the Wood Buffalo Culture Plan.

Proposed events and dates include: Easter Egg Hunt (April), Opening Weekend/International Museums Day (May long weekend), Canada Day (July), Heritage Day (August), Culture Days (September), Harvest Festival (October), Archives Event (October), and Old Fashioned Christmas (December).

Proposed partners for events and programs include: The Multicultural Association of Wood Buffalo, Arts Council of Wood Buffalo, McMurray Metis, King's Kids Promotions, Theatre Just Because, CNOOC, Syncrude, Suncor, Fort McMurray Tourism, Boys and Girls Club, Fort McMurray Food Festival, Chevron Canada, Communities in Bloom, Fort McMurray Public Schools, Fort McMurray Christian School, Fort McMurray Catholic Schools, Fort McMurray Islamic School, and Festival of Trees.

While these events have been identified as a need in the community they require a significant amount of staff time and financial resources and without funding we would not be able to deliver them all.

The heritage sites operated by the Fort McMurray Heritage Society are key locations in the Wood Buffalo region to learn about the rich history of Fort McMurray. The spirit of the people who built and shaped Fort McMurray and their stories are well worth learning. This funding will enable us to continue to not only share these stories with others, but to preserve them forever through the work of our collections, maintenance and archives staff which has been identified as a recommendation in the Wood Buffalo Culture Plan.

15. Explain how the operations/programming will achieve the objectives of the Municipal Strategic Plan as indicated on page 5:

Like the Strategy and initiatives outlined in the RMWB Strategic Plan, the Fort McMurray Heritage Society has plans to be vibrant and sustainable and will always strive to be a great representative and promoter of our region and its multifaceted cultural sector.

The elements noted in points 1a and 1c of the Strategic Plan focus on Responsible Government and are specifically concerned with financial responsibility. This resonates with our planning. We already function conscientiously and take meticulous care with all financial reporting through our board treasurer and hired accounting team. We spend a great deal of time making financial decisions and planning for the future when assessing organizational needs and in seeking donations, partners and grant funding.

In the coming years, we plan to increase revenues through various function and programming streams. We plan to continue to build on the presence we have created in the community through the first few years of operating two museum sites after the extended closure from the flood and fire. Through increasing our public profile and developing and expanding our offerings, we will add to our visitor numbers, private rentals, programming, and functions. This enables us to increase our revenue generation while continuing to build our presence in the region. With a great public profile and increased integration in the community comes the ability to seek increased sponsorship from corporations, organizations and other granting entities.

Our programs, operations and exhibits align with the objectives of Municipal plan noted in 1i - Partnerships with Social Profits. This is achieved through our commitment to honor the recommendations made in the Wood Buffalo Culture plan, specifically to engage in partnerships and collaborations with other cultural organizations, improve the awareness of the value of culture and encourage diversity, inclusion and accessibility. Our programs, operations and exhibits also supports the municipal plan's objectives 1f and 1g of inclusion and accessibility through our focus on programming for all members of the community, and improving the accessibility to Heritage Village and Shipyard through free days, improvements made to increase the accessibility for people with limited mobility, and our exhibit content that tells the diverse stories of the people who have made their homes in Fort McMurray. We also strive to support the municipal plan's objectives 4a -Truth and Reconciliation and 4b- Indigenous Consultation through our continued and expanding collaboration with Indigenous organizations for community events, school programming that showcases Indigenous heritage, and seeking consultation from Elders and community members for exhibits and future projects.

Part D - Organization Questionnaire

16. Describe any other funding initiatives the organization has taken or is planning to implement to further support this request for Sustaining Grant funding:

We are constantly developing ways to expand our current funding initiatives as well as prospecting potential new funding streams. Every year we apply for grants and sponsorships from a wide variety of organizations for both operating and capital funding. This includes corporate sponsorships, non-profit specific grant opportunities, museum and heritage granting opportunities, as well as funding from all levels of government.

We will continue to apply to all and to search for other appropriate granting agencies in these areas as well as more varied funders. We will continue our discussions with a variety of organizations for possible funding and/or in-kind donations to support our operations and programming. We will continue to develop facility rentals and bookings as a revenue stream through the rental two museums sites to community groups, and expanding our rental offerings for weddings, gatherings, and corporate events.

The school programming and children and youth camps run by the Heritage Society are a large part of our community engagement and outreach. This has been supported by corporations such as CNOOC, Syncrude and Suncor, and we will continue to seek support from them. Chevron Canada is once again supporting the Heritage School Open Minds program; these funds are split between multiple academic years.

We will apply to the Alberta Museums Association and the Canadians Museums Association for staff training and development support.

Considerations that have been proposed for discussion, but have no specific plans in place yet are:

- a specific fund-raising event (e.g. an annual benefit event)
- seeking funding for corporations for specific projects (e.g. the new visitor centre)
- widening the search for more granting organizations supportive of projects and developments

17. Current Volunteer Information:

| | Per Organizational Needs: | Currently Filled: |
|---|---------------------------|-------------------|
| Program & Services Volunteers | 20 | 11 |
| Fundraising Volunteers | 3 | 8 |
| Committee Volunteers | 9 | 7 |
| Administrative Volunteers | 2 | 0 |
| Total Organization Volunteers (Count each only once) | 34 | 26 |

Part E - Financial Information, Budget Request & Cash Flow

18. Current Staff Information:

| | Per Organization Chart: | Currently Filled: |
|---------------------|-------------------------|-------------------|
| Full Time Positions | 12 | 6 |
| Part Time Positions | 3 | 5 |

19. Please explain any cost savings initiatives the organization has, or is planning, to implement:

Employees are our highest expense, and though we try to reduce staff costs this practice is hard on our ability to function as our site and operation is heavily reliant on personnel to operate properly. In the short-term, we have reduced staff hours. We will continue with the following cost saving initiatives:

- working to recruit skilled and general volunteers to help alleviate some of the workload of all staff.
- we will continue to invest in the development of our current staff to reduce the cost of having to hire external contractors for projects such as fund development, collections management, and archives

Other cost saving initiatives on-site:

- we place shipping orders in bulk to reduce freight fees
- we will try some long-distance learning for staff, to reduce travel costs
- we reduced electricity costs by implementing the following: using motion detectors for lights in exhibits, in-floor heating run on a boiler system, and setting timers that turn on AV only during museum hours

20. 2020 Grant Request:

| | |
|---|-------------------|
| Total 2020 Budgeted Revenue (excluding RMWB Sustaining Grant) | \$ 631,500.00 |
| Total 2020 Budgeted Expenses | \$ 1,785,000.00 |
| Surplus* / (Deficit) | \$ (1,153,500.00) |

2020 Sustaining Grant Request Amount:

\$ 700,000.00

* If in a surplus position, organization is not eligible for a Sustaining Grant.

Please Indicate Preferred Cash Flow, if approved:**

January/February \$ 175,000.00 April \$ 175,000.00

(no more than 75% of request)

August \$ 175,000.00 October \$ 175,000.00

** Must have minimum of 25% to be disbursed between August and December. There will be no funds released in July, as six-month reports are due by July 31 and require Administrative review prior to August/October disbursements.

21. Provide any additional information that may assist in developing a better understanding of your organization or its services/programs during the grant review.

Through the generous support of the Regional Municipality the Fort McMurray Heritage Society continues to be a cornerstone of the cultural landscape in Fort McMurray with its operation of Heritage Village and Heritage Shipyard. This funding will allow us to continue the necessary work to preserve and share the history of Fort McMurray with the community and for future generations. This work continues to support the Municipal Strategic Plan and the Wood Buffalo Culture Plan.

While staff is our highest annual expense, without their hard work and dedication we would not be able to continue to offer an exceptional visitor experience, educational programming and community events. We have been operating with minimal staff since re-opening in 2017 and we are at the point that without increasing our staff and receiving the funding provided by the RMWB we would not be able to continue to offer the same level of exceptional cultural experiences and events to the region. Furthermore, qualified general contractors that are skilled in restoration and preservation are also required to maintain our artifacts, especially our heritage buildings and historical vessels. Without financial support for these professionals, the integrity of our collection will be jeopardized.

Part F - Required Attachments for Application

22. The following attachment MUST accompany your application. Failure to submit the following will result in your application being deemed incomplete.

- ☒ A detailed budget showing projected 2020 revenue and expenses
- ☒ 2020 Business Plan or Strategic Plan
- ☐ Logic Model (if available)
- ☒ Financial Statements of the most recent fiscal year

In Person or By Mail:

Community Investment Program
Community Services
Regional Municipality of Wood Buffalo
9909 Franklin Avenue
Fort McMurray, AB T9K 2K4

OR

By Email: CIP@rmwb.ca

**LATE or INCOMPLETE applications will not be processed
(Community Investment Program Policy FIN-220, Section 3.1.5)**

Fort McMurray Heritage Society 2020 Business Plan

**Fort McMurray Heritage Society
1 Tolen Drive
Fort McMurray, Alberta
T9H 1G7**

**Phone : (780) 791-7575
Fax: (780) 791 - 5180
Email: execdirector@fmheritage.com**

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Executive Summary

Institutional Profile

According to the Fort McMurray Heritage Society Board Policy, “the Fort McMurray Heritage Society exists so that the people of Fort McMurray, Alberta, the Municipality of Wood Buffalo, visitors from Alberta and Canada and international visitors learn about history and culture in ways that enhance their lives socially, intellectually, and economically.”

This organization has always operated to keep the record of the history of this community with the highest standards possible through the tremendous growth and change that this community has experienced. This growth and change has exerted great pressures on the resources of the Society to meet the growing demands of our citizens and visitors for tours, research, records, photos, programming, and continued use of the buildings at Heritage Village.

The Fort McMurray Heritage Society (FMHS) operates the Heritage Village and the Heritage Shipyard. The FMHS is funded through the generosity of the Regional Municipality of Wood Buffalo, corporate sponsorship, and grants from supporting organizations, donations from individuals, admissions and rentals.

About Heritage Village

Heritage Village is a 6.6-acre area containing numerous historic buildings, a collection of large artifacts, and the Gift Shop and Administrative Centre. The historic buildings date from 1914 to the late 1940's, providing visitors with a glimpse of Fort McMurray as it was in the first half of the last century. Some buildings are exhibited to show visitors how specific locations such as the first school room or a trapper's cabin might have looked. Other buildings contain more traditional museum displays on themes such as carpentry, immigration to Fort McMurray, or the region's Grey Nuns. We have a large artifact collection that includes a steam tractor, a Fairbanks Morse stationary diesel engine, and a Krupp bucket wheel excavator from Syncrude's pilot plant.

Our programming focuses on educational programming and summer camps. Educational programming involves hosting students from local Public and Catholic schools for curriculum-based classes in our facilities. Summer camps are registration-based day camps that run for one week at a time. Included in the summer camps are our popular Junior Drama and Theatre camps, which run for three weeks.

Our services include two gift shops (one seasonal, one year-round), museum tours, archival searches, historical research assistance, and photograph reproduction. We also lend photographs, artifacts, and expertise to other organizations in the city that are producing public exhibitions.

Our events range from large-scale public events to private events of various sizes. The public events vary from year to year, but typical examples are Canada Day, Heritage Day, and Old-Fashioned Christmas. We also rent facilities for weddings, parties, conferences, political announcements, and meetings; most of these functions are private, but occasionally our clients sell tickets to the public, as with the Fort McMurray Food Festival events.

About Heritage Shipyard

Heritage Shipyard is a 4-acre site located on the Clearwater River. This site operates seasonally in partnership with the community and the Municipality of Wood Buffalo. It showcases the Miskanaw, the Radium Scout, the Miskanaw Barge, Dredge 250, the McMurray, the DPW Fuel Barge, the Kris, the NAR Trains, the NTCL workshop buildings, and the Jack “Torchy” Peden Interpretive Centre. This site documents the significant history of the transportation industry in our community. The location of the museum is the only remaining original shipyard site left in the Province of Alberta.

The FMHS believes in the significance of these ships as historical artifacts. Each vessel was built specifically to serve Fort McMurray. Together, they tell the story of northern river transportation: dredging, channel marking, and freight transfer. Visitors can experience the atmosphere of life aboard the ships and immerse themselves in the history of the Clearwater Heritage River. Children can engage further through play on our unique nautical themed playground.

1.0 Organization Context

1.1 Mission

According to the Fort McMurray Heritage Society Board Policy, “the Fort McMurray Heritage Society exists so that the people of Fort McMurray, Alberta, the Municipality of Wood Buffalo, visitors from Alberta and Canada and international visitors learn about history and culture in ways that enhance their lives socially, intellectually, and economically.”

1.2 Guiding Principles

We believe:

- That the history of the Fort McMurray area should be researched, maintained, and preserved to National Museum Standards and Practices.
- That present and future generations should learn about, enjoy and appreciate the history of the Fort McMurray area in a family oriented environment.
- That all aspects of the history of the Fort McMurray area should be available to all persons to view and enjoy in a welcoming atmosphere.
- Volunteers are a valuable, fundamental and integral part of our organization.
- In maintaining our status, autonomy, and independence as a Non-profit organization.
- In being fiscally responsible towards our Mission, members, community, sponsors, and donors.
- That buildings, displays, exhibits and sites be authentic to the Fort McMurray area.
- In being aware of and cooperative with other Museum’s Collections.
- That the Fort McMurray area is within a 100 kilometer radius of the community of Fort McMurray.
- That culture, including arts and heritage, are valuable and essential parts of our community.

1.3 Key Success Factors

Financial – establish a clear financial future.

Alignment – maintain quality staff and align staff with goals and objectives.

Leadership – work within parameters of the proposed vision; work with stakeholders to share the future of Fort McMurray and the Municipality of Wood Buffalo by preserving our history.

Results – measure performance, be results-oriented.

Members – provide education, encourage involvement.

1.4 Areas of Focus

Improve marketing:

- Continue to market our museum sites, events, gift shop, educational program through our website, advertising and publicity.
- Further develop the Heritage Village, Heritage Shipyard and Fort McMurray Heritage Society brand.
- Further development of Heritage Village as a four-season destination.

- Increase awareness among visitors and residents about the history of our region.
- Educate visitors and residents about the value of preserving the history of our region.
- Educate visitors and residents about Fort McMurray Heritage Society assets by participating in various community events.
- Increase awareness through social media.

Increase awareness:

- Undertake a stronger advocacy role on the preservation of our history and conservation of historical assets in our community.
- Continue to promote educational programs, interpretive tours and family events.
- Offer resources materials and research facility for the public.
- Continue to work on promotional activities through Fort McMurray Tourism, Travel Alberta and local media and museum networks.
- Further develop the educational programs, exhibitions, and artistic displays.
- Foster relationships with others that benefit the museum and tourism industry: Chamber of Commerce, Service Canada, schools, Fort McMurray Tourism, Alberta Museums Association, and Canadian Museums Association.
- Continue to be involved in museum and tourism related activities.
- Undertake a market-product matching exercise and identify product gaps.
- Work with partners to develop unique displays, exhibitions, and events.
- Explore the potential that exists for niche markets such as meetings, conferences, weddings, family and corporate gatherings, birthday parties, and new exhibitions.

Enhance membership:

- FMHS Board of Directors has a committee that actively seeks members.

Update services:

- Develop the Agricultural Barn and Royal Bank spaces.
- Build a Storage Garage.
- Complete Parking Lot Expansion with paving and lighting.
- Identify opportunities for a new visitor information services building at Heritage Village.
- Grow existing partnerships and develop new partnerships with the Oil Sands Discovery Centre, the Regional Municipality of Wood Buffalo, large corporations, local small business and schools, Multicultural Association of Wood Buffalo, the Arts Council of Wood Buffalo and other Social Profit Organizations.
- Examine new exhibitions and displays assets to Heritage Village and Heritage Shipyard.
- Identify advertising opportunities for Heritage Village and Heritage Shipyard.
- Collect and use additional data on visitors (e.g. admissions in point-of-sale software)
- Develop a blog with additional information about Fort McMurray Heritage Society, Heritage Village and Heritage Shipyard, which will include educational programs, activities and events.

1.5 Accomplishments and Successes

Current Activities

- Taking advantage of technology to expand services available on our website www.fmheritage.com, Facebook and other social media.
- Expanding and retaining memberships and partnerships while remaining focused on growth and the opportunity for value-added services.
- Maintaining superior standards for visitor information services.
- Expanding the focus of educational programs, events, and exhibitions.
- Expanding and improving the client shopping experience at Heritage Village.
- Continuing to be highly visible in the community.
- Supporting regional projects and events by providing resources from our archives and/or artifacts collections.
- Working with community groups to showcase and promote culture and the arts.
- Developing new marketing initiatives.
- Maintaining our Recognized Museum status with the Alberta Museums Association.
- Continuing to nurture knowledgeable and friendly staff.
- Developing Heritage Village into a public year-round destination.

Community Engagement

- Continue to engage with local and Canadian artisans to provide a unique line of giftware at the Heritage Village Gift Shop.
- Produce and implement educational programs for schools.
- Produce and implement summer camps and theatre camps at Heritage Village.
- Provide informative and interpretive tours of museum sites.
- Attendance at community events to promote the history of our region.
- Enhance the local economy by providing information about our community to visitors at venues such as hotels, restaurants and visitors services.
- Develop and maintain a current informational website: www.fmheritage.com.
- Engage in social media networking.
- Organize numerous events each year.
- Establish a joint partnership with major groups to host community events at Heritage Village and Heritage Shipyard.

Partnership Marketing

Tourism Marketing

The Oilsands Discovery Centre, hotels, regional and provincial museums

Advertising

Fort McMurray Tourism Visitors Guide, Travel Alberta, Alberta Museums Association, Canadians Museum Association, Archive Society of Alberta, YMM Magazine.

Partnership Events/Hosting

Food Festival, Taste of Fort McMurray, Communities in Bloom, Canada Day, Heritage Day, Old Fashioned Christmas, King's Kids, Grades 1- 7 school programs, Children's Summer Camps.

Provide Museum Experience

In 2020, we plan to partner with Young Canada Works - Canadian Museums Association and Service Canada programs to employ students to develop their understanding of the museum industry.

Society Members

Feature rack displaying FMHS member brochures year round.

Educational Partners for Programming

Fort McMurray Public School Board, Fort McMurray Catholic School Board, Fort McMurray Islamic School, and Chevron Open Minds Programs.

2.0 Opportunities & Challenges

2.1 2020 Marketing Strategies

Fort McMurray Heritage Society yearly marketing plan is developed using statistical information gathered throughout the year to develop our strategy for the following year.

Trade Shows and Community Information Fairs

FMHS will continue to participate in the Trade Shows and Community Information Fairs. Our goal is to increase public awareness of service opportunities available within our museum sites.

Advertisements promoting museums and heritage are placed in key publications:

- Alberta Museums Association
- Canadian Museums Association
- Fort McMurray Tourism Visitors Guide
- Travel Alberta Guide
- YMM Magazine
- Alberta Archival Society
- Social Media Networks

Please Note: Advertising opportunities become available throughout the year. Each opportunity is reviewed by the manager based on cost, quantity and distribution.

Advertising produced by Fort McMurray Heritage Society:

- Rack Cards: Heritage Village & Heritage Shipyard is distributed to hotels, Oil Sands Discovery Centre, and Fort McMurray Tourism.
- Interpretive Heritage Village and Heritage Shipyard Brochures: distributed to visitors at both museum sites.
- Volunteer Brochures: provides information on Volunteer opportunities.
- Rental Brochures: provides information on rental facilities such as the grounds, the churches, and the barn loft.

- **Special Events Brochures and posters:** provides information on specific events and programs that are offered at Heritage Village and Heritage Shipyard. Distributed throughout the schools and community.
- **Marketing Campaigns:** our museums will participate in 2020 marketing. The goals of these campaigns are to increase community awareness of the different activities at our museums.

Other Distribution:

Open Minds Museum Heritage School – program information is supplied by Chevron and distributed to school teachers.

Publications produced by Fort McMurray Heritage Society
Teachers Resource Manuals – Grade 1, 2 and 4

Website – www.fmheritage.com

FMHS will continue to update information and photographs on our website to reflect the most recent changes and success stories.

Media Familiarization Tours

In partnership with Fort McMurray Tourism, Heritage Village and Heritage Shipyard will participate in the tours as they become available.

Marketing Initiative for 2020

Partner with the RMWB to complete the development of the Historical Plaques.

Partner with the RMWB on the Heritage Calendar.

Partner with Fort McMurray Tourism for Heritage Village and Heritage Shipyard to participate in our museum site tours and a tour app.

Partner with hotels, the Fort McMurray Airport Authority, MacDonald Island, Syncrude Sports and Wellness Centre, Suncor, Keyano College, and Public and Catholic Schools to develop opportunities for traveling exhibitions that will showcase the history of our region.

Partner with organizations and business to provide more awareness for our Museum sites.

Winter Packages

Continue to establish partnerships to develop winter packages featuring Heritage Village exhibitions.

2.2 Challenges

- To have the infrastructure and facilities to support museum based activities.
- Awareness for cultural and heritage in the region.
- Funding for program development and implementation.
- Funding for staff and operating expenses.

- Funding for a new museum artifact storage facility at Heritage Village and a new Interpretive, Programming and Food Services Centre which would provide a controlled environment for the archives, delicate documents and artifacts.
- Funding for the Heritage Shipyard Interpretive, Programming and Food Services Centre.
- Funding to finish parking lot expansion project.

2.3 Operations and Staffing

The staff at both Heritage Village and Heritage Shipyard provide guests with a warm, welcoming environment and offer current and historical information about the region. Over 13,000 visitors went through Heritage Village until Oct, 2019. While Heritage Shipyard had 2700 visitors during the 2019 summer season, not including the 1900 attendees to FMHS-hosted events and 5500 attendees to private events.

Main Functions

- Main cultural and heritage centre for Fort McMurray and the Municipality of Wood Buffalo.
- Provide exhibitions and display that depicts the history of the region.
- Responds to research requests.
- Provide interpretive self guided and guided tours.
- Provide rental facilities for conferences, weddings, corporate and family events.
- Coordinate, promote, plan and create school programs, summer camps, and theatre camps.
- Special event coordination.
- Operate Gift Shops.
- Coordinate exhibit designs and fabrication for both sites.

Staff currently consists of an Executive Director, Programs Manager, Administrative Support, Grants Coordinator, Event/Volunteer Coordinator, Learning Coordinator, Collections Technician, Maintenance Technician and Guest Services positions. During high season – May to September – we employ numerous summer students.

2.4 Management & Board of Directors

The affairs of the Society are administered by a Board of Directors.

The Executive Director answers to the Board of Directors. Under the authority of the Board, the Executive Director assumes complete responsibility for carrying out assigned policies and regulations. The Executive Director has the authority to direct the implementation of the organization's programs and services, and is responsible for the management of all staff members and volunteers.

2.5 Long-Term Disaster Recovery and Building Resiliency

The Fort McMurray Heritage Society has continued to persevere despite impact from three disparate disasters: the 2013 flood (that had significant direct impact to Heritage Village), the 2016 wildfire, and the economic disaster. Moving forward into 2020, we strive to build resiliency back into the Society and adjust to our 'new normal'. For the Society, this includes continuing to re-establish familiar community contacts and build new partnerships, rebuild our volunteer base, and promote the museums with their new identities. These activities will assist the Society in successfully adjusting to this new form of operating, educating, and marketing.

Furthermore, we aim to assist community members to build resiliency into their lives by holding affordable inclusive family-friendly events, hosting educational summer camps, and providing volunteer opportunities. These gatherings not only facilitate learning, they also assist local residents to socialize and connect with one another. This opportunity to build social connections will assist residents in recovering from these aforementioned disasters and build resiliency.

3.0 Project Goals for 2020

3.1 Projects Planned

There are several projects planned for the 2020 season to continue rebuilding and revitalizing the Heritage Village. Although some of these projects are outside of regular annual operations and therefore incur additional expenses, but they all serve to preserve and share the rich history of our region.

- Continue with the rebuild of the grounds at Heritage Village, requirements include:
 - Site reviews and assessments by external parties (designers, building contractors, etc.)
 - Design plans
 - Construction
 - Supplies and materials
 - Manpower
- Development the Indigenous Village exhibit, requirements include:
 - Research - for artifacts and archives, internal and external sources
 - Consultation with Indigenous Elders and community members
 - Contract curatorial expertise
 - Professional designs and planning
 - Artifacts preparation
 - Exhibit materials and building
 - Installation
- Development of Agricultural Barn exhibit, requirements include:
 - Research - for artifacts and archives, internal and external sources
 - Contract curatorial expertise
 - Professional designs and planning
 - Artifacts preparation
 - Exhibit materials and building

- Installation
- Build the Heritage Storage Garage, requirements include:
 - Architectural designs and plans
 - Contract curatorial expertise
 - Materials
 - Manpower
- Digitization project for photographs, requirements include:
 - High resolution scanner
 - External hard drives or additional computers for storage
 - An investment of staff time
- Complete the Collections Assessment, re-housing and PastPerfect upgrades for artifact documentation, requirements include:
 - Archival grade acid free materials (which are at a higher expense)
 - Contracted collection management expertise
 - An investment of staff time
- Continue to partner with the RMWB on the Heritage Calendar, heritage plaques and Communities in Bloom programs.
 - An investment of staff time
- Parking lot paving and project
 - Contract construction management
 - Materials
 - Manpower

3.2 Wood Buffalo Culture Plan

In 2018 and 2019 the Fort McMurray Heritage Society participated in consultations and reviews to help develop the Wood Buffalo Culture Plan, a guiding document for the region to support and enhance arts and heritage initiatives. In 2020 we are committed to continuing our support of the culture plan and ensuring our actions are aligned with the priorities identified within it including:

- Fostering a healthy environment for culture, arts, and heritage
- Further development of cultural facilities and resources
- Supporting collaboration and innovation
- Encouraging diversity, inclusivity, and accessibility
- Improving the awareness of the value of culture

4.0 Financial Budget for 2020

Fort McMurray Heritage Society Operating Budget 2020

General Expenses

| | |
|------------------------------|--------------|
| Advertising | \$30,000.00 |
| Museum Gift Shop | \$172,500.00 |
| Employee Relations | \$6,000.00 |
| Office Expense | \$25,500.00 |
| Collections Care Maintenance | \$88,000.00 |
| Repairs and Maintenance | \$299,500.00 |
| Insurance | \$45,000.00 |
| Professional Fees | \$50,000.00 |
| Programs and Services | \$157,000.00 |
| Security | \$37,000.00 |
| Employee Expenses | \$826,500.00 |
| Utilities | \$48,000.00 |

| | |
|-----------------------|-----------------------|
| Total Expenses | \$1,785,000.00 |
|-----------------------|-----------------------|

Revenues

| | |
|---------------------------|--------------|
| Programs and Services | \$271,500.00 |
| Donations | \$5,000.00 |
| Fundraising - Casino | \$35,000.00 |
| Museum Gift Shop | \$240,000.00 |
| Grants | \$70,000.00 |
| Special Events | \$10,000.00 |
| Other Funding Sources | \$453,500.00 |
| RMWB CIP Sustaining Grant | \$700,000.00 |

| | |
|-----------------------|-----------------------|
| Total Revenues | \$1,785,000.00 |
|-----------------------|-----------------------|

4.1 2020 Revenue Sources

The Fort McMurray Heritage Society will engage in fund raising opportunities throughout the year. The Heritage Village Gift Shop will be opened to the public throughout 2020 and the Heritage Shipyard Gift Shop will be opened during the summer season. The Society participates in an AGLC Casino. We also rent facilities for weddings, parties, conferences, political announcements, and meetings; these functions are private.

FORT MCMURRAY HERITAGE SOCIETY 2020 OPERATING BUDGET

| EXPENSES | 2020 |
|---|------------------------|
| ADVERTISING | \$ 30,000.00 |
| MUSEUM GIFT SHOP | \$ 172,500.00 |
| EMPLOYEE RELATIONS | \$ 6,000.00 |
| OFFICE EXPENSES | \$ 25,500.00 |
| COLLECTIONS CARE MAINTENANCE | \$ 88,000.00 |
| REPAIRS & MAINTENANCE | \$ 299,500.00 |
| INSURANCE | \$ 45,000.00 |
| PROFESSIONAL FEES (Accounting/legal) | \$ 50,000.00 |
| PROGRAMS & SERVICES | \$ 157,000.00 |
| SECURITY | \$ 37,000.00 |
| EMPLOYEE EXPENSES | \$ 826,500.00 |
| UTILITIES | \$ 48,000.00 |
| TOTAL EXPENSES | \$ 1,785,000.00 |
| REVENUES | 2020 |
| PROGRAMS & SERVICES | \$ 271,500.00 |
| DONATIONS | \$ 5,000.00 |
| FUNDRAISING (Casino) | \$ 35,000.00 |
| MUSEUM GIFT SHOP | \$ 240,000.00 |
| GRANTS | \$ 70,000.00 |
| SPECIAL EVENTS | \$ 10,000.00 |
| SUBTOTAL | \$ 631,500.00 |
| RMWB CIP SUSTAINING GRANT | \$ 700,000.00 |
| TOTAL REVENUES | \$ 1,331,500.00 |
| SHORT FALL (Total expenses - total revenues) | \$ 453,500.00 |

Fort McMurray Heritage Society

Financial Statements

December 31, 2018

Fort McMurray Heritage Society

Financial Statements

December 31, 2018

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Independent Auditors' Report

To the Directors of Fort McMurray Heritage Society

Report on the Audit of the Financial Statements

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Fort McMurray Heritage Society as at December 31, 2018 and the results of its operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of the 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 the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to 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 but to do so.

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

Independent Auditors' Report (continued)

Auditors' 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 auditors' 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society 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.

Edmonton, Canada
May 21, 2019

Crowe Mackay LLP
Chartered Professional Accountants

Fort McMurray Heritage Society**Statement of Operations**

| For the year ended December 31, | 2018 | 2017 |
|--|---------------------|---------------------|
| Revenues | | |
| Grants (note 14) | \$ 498,676 | \$ 1,059,588 |
| Amortization of deferred contributions | 304,933 | 317,638 |
| Gift shop | 250,035 | 272,710 |
| Admissions and program revenue | 196,038 | 256,683 |
| Donations | 46,917 | 128,079 |
| | 1,296,599 | 2,034,708 |
| Expenses | | |
| Advertising | 24,324 | 14,403 |
| Amortization | 606,913 | 542,779 |
| Archival conservation | - | 893 |
| Collections | 211,562 | 486,879 |
| Gift shop cost of sales | 145,694 | 175,223 |
| Insurance | 40,037 | 41,359 |
| Interest and bank charges | 6,726 | 7,454 |
| Office | 23,484 | 24,813 |
| Professional fees | 37,481 | 44,421 |
| Program expenses | 65,117 | 73,395 |
| Repairs and maintenance | 47,179 | 127,741 |
| Telephone and internet | 12,826 | 22,722 |
| Training | 3,950 | 1,521 |
| Travel | 1,328 | 490 |
| Utilities | 45,459 | 43,470 |
| Wages and benefits | 589,633 | 700,655 |
| | 1,861,713 | 2,308,218 |
| Deficiency of revenues over expenses before Other Items | (565,114) | (273,510) |
| Other income (expense) | | |
| Loss on disposal of property, plant and equipment | - | (28,156) |
| Interest | 13,283 | 5,716 |
| | 13,283 | (22,440) |
| Deficiency of revenues over expenses | \$ (551,831) | \$ (295,950) |

Fort McMurray Heritage Society**Statement of Changes in Net Assets**

For the year ended December 31,

2018

| | Total | Unrestricted (note 12) | Equity in Capital Assets |
|--------------------------------------|---------------------|-----------------------------------|-------------------------------------|
| Balance, beginning of year | \$ 2,433,738 | \$ 1,541,011 | \$ 892,727 |
| Deficiency of revenues over expenses | (551,831) | (249,851) | (301,980) |
| Investment in capital assets | - | (18,025) | 18,025 |
| Balance, end of year | \$ 1,881,907 | \$ 1,273,135 | \$ 608,772 |

2017

| | Total | Unrestricted (note 12) | Equity in Capital Assets |
|--------------------------------------|---------------------|-----------------------------------|-------------------------------------|
| Balance, beginning of year | \$ 2,729,688 | \$ 1,583,664 | \$ 1,146,024 |
| Deficiency of revenues over expenses | (295,950) | (70,809) | (225,141) |
| Loss on capital asset disposal | - | 28,156 | (28,156) |
| Balance, end of year | \$ 2,433,738 | \$ 1,541,011 | \$ 892,727 |

Fort McMurray Heritage Society**Statement of Financial Position**

| December 31, | 2018 | 2017 |
|---------------------|-------------|-------------|
|---------------------|-------------|-------------|

Assets**Current**

| | | |
|---------------------------------|------------|------------|
| Cash (note 3) | \$ 359,116 | \$ 636,714 |
| Short term investments (note 4) | 893,819 | 1,086,718 |
| Accounts receivable (note 5) | 10,305 | 122,451 |
| Inventory (note 6) | 107,829 | 95,547 |
| Prepaid expenses | 3,263 | - |

| | | |
|--|-----------|-----------|
| | 1,374,332 | 1,921,430 |
|--|-----------|-----------|

Property, plant and equipment (note 7)

| | | |
|--|-----------|-----------|
| | 8,045,091 | 8,633,979 |
|--|-----------|-----------|

Collections (note 8)

| | | |
|--|---|---|
| | 1 | 1 |
|--|---|---|

| | | |
|--|--------------|---------------|
| | \$ 9,419,424 | \$ 10,555,410 |
|--|--------------|---------------|

Liabilities**Current**

| | | |
|---|-----------|-----------|
| Accounts payable and accrued liabilities (note 9) | \$ 67,961 | \$ 47,239 |
| Deferred contributions (note 10) | 33,237 | 333,181 |

| | | |
|--|---------|---------|
| | 101,198 | 380,420 |
|--|---------|---------|

Deferred contributions related to capital assets (note 11)

| | | |
|--|-----------|-----------|
| | 7,436,319 | 7,741,252 |
|--|-----------|-----------|

| | | |
|--|-----------|-----------|
| | 7,537,517 | 8,121,672 |
|--|-----------|-----------|

Net Assets

| | | |
|------------------------|-----------|-----------|
| Unrestricted (note 12) | 1,273,135 | 1,541,011 |
|------------------------|-----------|-----------|

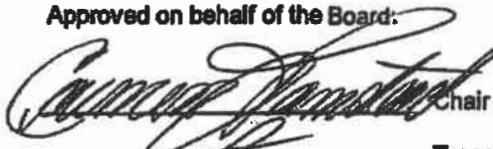
| | | |
|--------------------------|---------|---------|
| Equity in Capital Assets | 608,772 | 892,727 |
|--------------------------|---------|---------|

| | | |
|--|-----------|-----------|
| | 1,881,907 | 2,433,738 |
|--|-----------|-----------|

| | | |
|--|--------------|---------------|
| | \$ 9,419,424 | \$ 10,555,410 |
|--|--------------|---------------|

Commitments (note 13)

Approved on behalf of the Board:


Chair
Treasurer

Fort McMurray Heritage Society

Statement of Cash Flows

| For the year ended December 31, | 2018 | 2017 |
|---|--------------|--------------|
| Cash provided by (used for) | | |
| Operating activities | | |
| Deficiency of revenues over expenses | \$ (551,831) | \$ (295,950) |
| Items not affecting cash | | |
| Amortization | 606,913 | 542,779 |
| Amortization of deferred contributions | (304,933) | (317,638) |
| Loss on disposal of property, plant and equipment | - | 28,156 |
| | (249,851) | (42,653) |
| Change in non-cash working capital items | | |
| Accounts receivable | 112,146 | 212,462 |
| Inventory | (12,282) | (4,706) |
| Prepaid expenses | (3,263) | - |
| Accounts payable and accrued liabilities | 20,722 | (3,630) |
| Deferred contributions | (299,944) | (1,110,276) |
| Deferred contributions related to capital assets | - | 549,805 |
| | (432,472) | (398,998) |
| Investing activity | | |
| Purchase of property, plant and equipment | (18,025) | (549,805) |
| Decrease in cash | (450,497) | (948,803) |
| Cash, beginning of year | 1,703,432 | 2,652,235 |
| Cash, end of year | \$ 1,252,935 | \$ 1,703,432 |
| Cash consists of: | | |
| Cash | \$ 359,116 | \$ 636,714 |
| Short term investments | 893,819 | 1,066,718 |
| | \$ 1,252,935 | \$ 1,703,432 |

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

1. Nature of operations

Fort McMurray Heritage Society was incorporated under the provisions of the Societies Act in the Province of Alberta as a not-for-profit organization and is a registered charity under the Income Tax Act. The Fort McMurray Heritage Society exists so that the people of Fort McMurray, Alberta, the Municipality of Wood Buffalo, visitors from Alberta and Canada and international visitors learn about history and culture in ways that enhance their lives socially, intellectually and economically.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

Grants:

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Museum operations:

Revenue from museum operations include the sale of general admissions, facility rentals, educational programs and gift shop sales. They are recognized in the year in which the sale of goods is completed or the services are provided.

Memberships:

Revenue from the sale of memberships is recognized in the year received.

Donations:

Donations are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations and offsetting expenses from goods and services are recorded at fair market value upon receipt.

Interest:

Interest earned on investments is recorded as it accrues.

Amortization of deferred contributions related to capital assets:

The Society recognizes revenue from deferred contributions related to capital assets at a rate of 4% per year.

(b) Cash and cash equivalents

Cash consists of cash on hand and bank balances and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

2. Significant accounting policies (continued)

(c) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

(d) Property, plant and equipment

Property, plant and equipment are recorded at cost plus any costs of betterment less accumulated amortization and excludes any assets not in current use. Amortization is calculated by the declining balance method at the annual rates set out in note 7.

Assets under development will be amortized upon substantial completion of the project.

(e) Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(f) Collections

The Society holds a collection of historical artifacts including historic buildings, equipment and documents related to Fort McMurray that are on display at the Heritage Village and Heritage Shipyard. These assets are presented at a nominal value of \$1, due to the practical difficulties of determining a meaningful value for these assets.

Objects purchased for the collection are recorded as an expense in the year of acquisition.

Proceeds from the disposition of collections can only be used to acquire other items to be added to the collection or for the direct care of existing collections.

(g) Contributed services

Volunteers contribute a significant number of hours of service per year to assist the Society in carrying out its restoration projects. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

2. Significant accounting policies (continued)

(i) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Society subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at amortized cost include cash, accounts receivable and short term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

3. Cash

Included in cash is \$4,350 (2017 - \$4,395) which was raised through casinos and other grants. The use of the funds is restricted and must be applied to specific purposes approved by the Alberta Gaming, Liquor, and Cannabis Commission.

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

4. Short term investments

Guaranteed investment certificates mature September to December 2019 and accrue interest at 0.50% to 1.75%.

| | 2018 | 2017 |
|---|------------|--------------|
| Guaranteed Investment Certificates - Royal Bank of Canada | \$ 893,819 | \$ 1,066,718 |

Included in the GIC's is \$18,819 (2017 - \$10,000) received from the National Aboriginal Day Trust Fund which will be used toward the Legacy fund to construct the Aboriginal Village at the Heritage Village.

5. Accounts receivable

| | 2018 | 2017 |
|--------------------|-----------|------------|
| Trade receivables | \$ 9,166 | \$ 2,310 |
| GST receivable | 1,139 | 24,630 |
| Grants receivables | - | 95,511 |
| | \$ 10,305 | \$ 122,451 |

6. Inventory

Inventory is comprised of goods for sale at the gift shop. During the year, \$145,694 (2017 - \$175,223) of gift shop inventory was expensed as merchandise was sold.

7. Property, plant and equipment

| | | | | 2018 | 2017 |
|--------------------|--------|---------------|--------------------------|----------------|----------------|
| | Rate | Cost | Accumulated amortization | Net book value | Net book value |
| Buildings | 4% | \$ 2,356,922 | \$ 351,680 | \$ 2,005,242 | \$ 2,083,880 |
| Equipment | 20-30% | 770,371 | 440,012 | 330,359 | 395,798 |
| Infrastructure | 2% | 2,297,382 | 264,166 | 2,033,216 | 2,210,017 |
| Computer equipment | 30% | 657,112 | 360,328 | 296,784 | 422,759 |
| Signs | 5% | 343,387 | 65,557 | 277,830 | 290,629 |
| Heritage Shipyard | 4% | 3,647,097 | 545,437 | 3,101,660 | 3,230,896 |
| | | \$ 10,072,271 | \$ 2,027,180 | \$ 8,045,091 | \$ 8,633,979 |

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

7. Property, plant and equipment (continued)

The Heritage Village is located on land leased from the Regional Municipality of Wood Buffalo for a twenty five year term expiring November 30, 2028 for annual payments of \$1.

The Heritage Shipyard is located on land leased from the Regional Municipality of Wood Buffalo for a twenty five year term expiring November 30, 2028 for annual payments of \$1.

8. Collections

Collections consist of cultural artifacts and archival holdings of historical significance. Significant artifacts and records are insured. A description of the collections is as follows:

Heritage Village:

The Heritage Village preserves Fort McMurray and region's past through a collection of historic buildings and artifacts from the early 1900s to the 1930s. Structures include a trappers cabin, early business buildings, and churches.

Heritage Shipyard:

The Heritage Shipyard preserves historic vessels that were integral to river transportation along the Athabasca and Clearwater Rivers and as far north as the Arctic Circle. The collection includes seven vessels, a welding shop, machine shop, pump man's workshop and a caboose and comboose from Northern Alberta Railways.

9. Accounts payable and accrued liabilities

| | 2018 | | 2017 | |
|------------------------|-------------|---------------|-------------|--------|
| Trade payables | \$ | 57,388 | \$ | 36,687 |
| Government remittances | | 10,573 | | 10,552 |
| | \$ | 67,961 | \$ | 47,239 |

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

10. Deferred contributions

Deferred contributions represent funds received for various programs and will be recognized in the fiscal year in which the related expenses are incurred as follows:

- deferred contributions related to the purchase or development of capital assets will be transferred to deferred contributions related to capital assets, and;
- deferred contributions related to collections or operating programs will be recognized in revenue as grants.

Changes in deferred contribution balances are as follows:

| | 2018 | 2017 |
|----------------------------|------------------|-------------------|
| Balance, beginning of year | \$ 333,181 | \$ 1,443,457 |
| Add: funding received | 194,886 | 513,318 |
| Less: funding expended | (494,830) | (1,623,594) |
| | <u>\$ 33,237</u> | <u>\$ 333,181</u> |

11. Deferred contributions related to capital assets

Deferred contributions related to capital assets represent restricted contributions that were used for site development and the acquisition of capital assets. The changes in the deferred contributions balance for the period are as follows:

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ 7,741,252 | \$ 7,509,085 |
| Contributions applied to the purchase of capital assets | - | 549,805 |
| Amortization of deferred contributions | (304,933) | (317,638) |
| Balance, end of year | <u>\$ 7,436,319</u> | <u>\$ 7,741,252</u> |

12. Internally restricted funds

The Society has internally restricted \$235,000 for expenses relating to the Capital Project rebuilds. The Society has internally restricted \$175,000 funds relating to project costs associated with the restoration of a historic building, the development of an Indigenous village, and roof repairs.

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

13. Commitments

The Society has developed plans for additional upgrades and repairs and maintenance to various collections in the amount of \$235,000.

The Society has also committed funds the development of an Indigenous village, the restoration of an historic building, and roof repairs, for a combined total of \$175,000, which will be paid from the unrestricted surplus.

These funds have been internally restricted by the Society to be only used for these projects.

14. Grants

The Society recognized the following funding for current year operations:

| | 2018 | 2017 |
|---|-------------------|---------------------|
| Open Minds - Chevron | \$ 223,080 | \$ 92,357 |
| Community Facility Enhancement Program | 125,000 | - |
| Other Grants | 86,876 | 171,202 |
| Summer Jobs Grant - Service Canada | 39,722 | 60,464 |
| Young Canada Works Grant | 14,346 | 21,188 |
| Tree Canada Grant | 9,923 | - |
| Community Foundation of Canada | 5,637 | - |
| Casino - Park operations | 2,304 | 73,556 |
| Regional Municipality of Wood Buffalo - capital grants used for collections | - | 622,571 |
| Alberta Historical Resources Fund Grant | (8,211) | 18,250 |
| | \$ 498,677 | \$ 1,059,588 |

Included in the donations are materials and services at estimated fair value of \$10,000 (2017 - \$18,867).

15. Financial Instruments

Transacting in and holding of financial instruments exposes the Society to certain financial risks and uncertainties. These risks, which remain unchanged, include:

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Society's exposure to liquidity risk relates to accounts payable and accrued liabilities and arises from the possibility that the timing and amount of its cash inflows will not be sufficient to enable it to meet its financial obligations as they become due. Management believes this risk is minimized through the preparation of annual budgets and cash forecasts

Fort McMurray Heritage Society

Notes to the Financial Statements

December 31, 2018

15. Financial instruments (continued)

(b) Interest rate risk

The Society is exposed to interest rate risk. Interest rate risk is the risk that the Society has interest rate exposure on its short term investments, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The Society reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented.

16. Comparative amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.