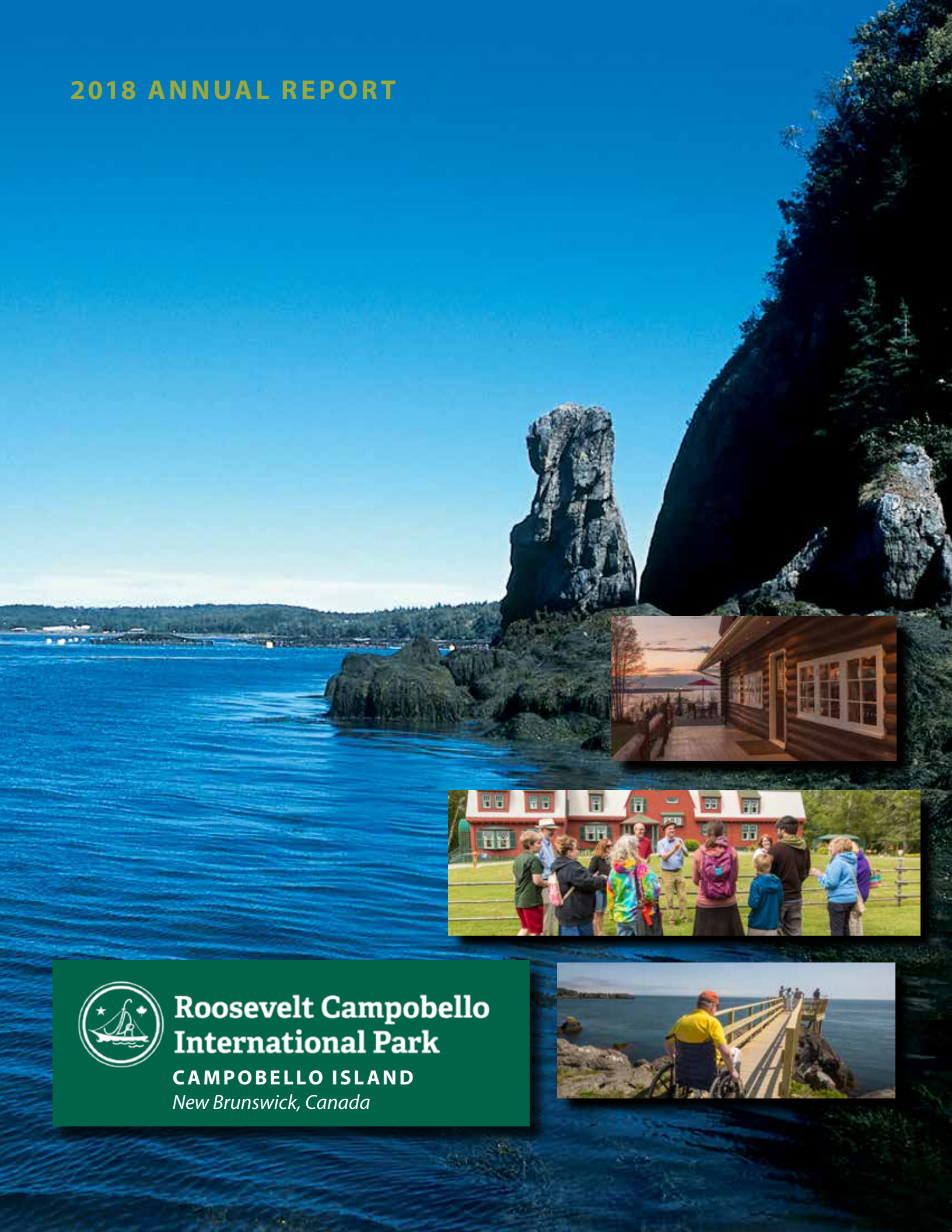


2018 ANNUAL REPORT



**Roosevelt Campobello
International Park**
CAMOBELLO ISLAND
New Brunswick, Canada

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On the cover

Background photo:
New for 2018 was a guided hike to Friar's Head.

Inset photos:
The Park's Conference Program relocated to the Adams Lodge complex and experienced its busiest year to date. Over 4,300 park visitors participated in the increasingly popular "F.U.N.Tour". A new Master Plan for the Park's natural areas included a commitment to improving accessibility throughout the 1,134 hectares of protected lands.

Mission

The Roosevelt Campobello International Park Commission has a mission to offer the people of both countries an understanding of what President Roosevelt's "be-loved island" meant to him and to give them a sense of the feeling he gained from the ambiance of Campobello Island.

The Commission will maintain the atmosphere of the Roosevelt Cottage as it was during President and Mrs. Roosevelt's lives, and will preserve and interpret the Park's natural areas that meant so much to the Roosevelt family.

The Commission will provide a forum for the discussion and exploration of domestic and international problems, issues and concepts of significance in the United States and Canada.



Roosevelt Campobello International Park

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Message from the Chairman and Vice Chairman

The 1964 Agreement between Canada and the United States mandates that, “The chairmanship [of the Commission] shall alternate between members of Canadian and United States nationality every two years.” We are happy to report that the Commission’s new Chairman, The Honourable Greg Thompson, succeeded to office by unanimous vote of the Commission on October 20, 2018. Similarly, Christopher Roosevelt was elected Vice Chairman. The Roosevelt Campobello International Park and its Commission continues to reflect the great and traditional mutual friendship and respect of two neighboring sovereign nations.

2018 was a year in which the Park and all its staff were busy and accomplished much. It was a year when all the community of the Park could be proud of milestones passed and progress made, including the following:

- Renovations, re-purposing and new construction were successfully completed on many Park buildings and facilities: The Prince Cottage was partially re-purposed to house the brand new Prince Café; the Wells-Shober Cottage renovations improved the Tea Room for the “Tea with Eleanor” program; the Hubbard Cottage underwent a major exterior “face lift”; and, asbestos was removed from the historic Roosevelt Cottage.
- The management reorganization initiated by Superintendent Jamie Carr was completed.
- A new “Master Plan” for the natural area was approved and significant steps begun towards implementing it, including new trail construction, ramps, bridges and accessibility improvements. This all will be appreciated by hikers and bicyclists.
- The “F.U.N. Tour” made popular in 2017 continued in popularity, as well as the introduction of a new “Guided Hike to Friar’s Head” and “An Evening at the Cottage” interpretive program.
- The busiest season yet of travel trade bus and cruise ship tours and international groups.

On behalf of all the Commission, we thank our Superintendent, our Senior Management staff and all the dedicated and committed staff members of the Park for a wonderful year and your continuing great effort.

Honourable Greg Thompson,
Chairman (Canada)
Christopher du P. Roosevelt,
Vice Chairman (United States)

Message from the Superintendent

The Roosevelt Campobello International Park continues to be an example of international cooperation and goodwill between Canada and the United States of America. The unique partnership between our two nations is what led to the creation of this one of a kind “International” Park. While the Park was forced to deal with increased international travel and border challenges along with the loss of passenger ferry service to Campobello Island from the Canadian mainland during the 2018 season, dedicated staff and the leadership of our Commission and Senior Management ensured another successful season.

Significant investments in Park infrastructure resulted in capital improvements at many of the physical historic buildings at the Park. A new Café was opened at Prince Cottage and Adams Lodge was repurposed as the Park’s Conference Centre. Major investments in a multi-year Natural Area Plan began in 2018. These investments are focused on further developing the Park’s natural areas and making them more accessible for hikers, cyclists, beachcombers, birdwatchers and connecting the Park’s natural areas to those of our neighbour, Herring Cove Provincial Park and our historical core.

Two new interpretive programs, “An Evening at the Cottage” and “Guided Hike to Friar’s Head” were added to the already popular “F.U.N. Tour”, “Roosevelt Cottage Guided Tours” and the “Tea with Eleanor” program in 2018. The Conference program was also relocated to the Adams Lodge complex where it experienced its busiest season ever.

While the past year was very successful, the Park did experience several challenges such as the loss of the ferry, continuing issues with customs and border security and finding and hiring qualified staff. The Park looks forward to the challenges and opportunities available to us in 2019, knowing that we have the support of a dedicated and knowledgeable staff and a welcoming community on both sides of the border.

James P. Carr
Superintendent

Department Reports

FINANCE, ADMINISTRATION AND HUMAN RESOURCES

Upon Vernon McKimmey's retirement from Roosevelt Park as the Manager, Visitor Services and Marketing, it was a great pleasure to hire Kate Johnston as Vernon's replacement as part of the management team.

Financially, 2018 was a very positive year. Both the United States and Canada fully funded the Roosevelt Park to its requested budget requisition for the 2018 fiscal year. The stability of this funding allowed for the continuation as well as the completion of many capital projects totaling \$506,525.00. Some of the major projects involved were:

- Electrical wiring was brought up to code in three buildings; the Roosevelt Cottage, the Wells Shober Cottage and the Hubbard Cottage.
- Vermiculite (containing asbestos) removal from the Roosevelt Cottage.
- New Lock Security System in place throughout the Park.
- Upgrading of maintenance vehicles and equipment
- Natural Area Development

Spending in Park infrastructure will continue to increase significantly in 2019. An approved development plan for the Natural Area will require continued investing of capital project monies as well as the repairs and upkeep to the historical buildings.

OPERATIONS

The 2018 season saw several significant projects completed as well as continued progress on several multi-year projects:

- Renovations were completed at the Prince Cottage to facilitate the opening of the Prince Café.
- First floor carpets were removed at the Wells-Shober cottage, and a new floor laid to improve the venue for the "Tea with Eleanor" Program.
- Walking trails that service the Roosevelt and Prince Cottages were rebuilt.
- Trees were removed near the Prince and Roosevelt Cottages to reclaim the historic vistas and to encourage more use of grounds within the historic core.
- Hubbard Cottage restoration continues with windows, gutters, and dormers receiving particular attention.
- All vermiculite insulation has been removed and replaced with fiberglass at the Roosevelt Cottage.
- All locks on Park facilities have been upgraded to a digital access control system, which allows for better monitoring of access and key control.

Survey and design work continues related to the Natural Area Development Plan. The gravel pit on the Glensevern Road was processed to provide material for the construction of the new or improved Natural Area trails, and the maintenance of the Park roads. Work continued on the existing trail network with several improvements to the Liberty Point trail, and initial construction on a bicycle trail from Fox Farm to Cranberry Point.



The Park's popular interpretive programs—Guided Cottage Tours, "Tea with Eleanor", and the "F.U.N. Tour"—all saw increased attendance in 2018. Two new programs were initiated—the "Guided Hike to Friar's Head" and "An Evening at the Cottage". Both were well received and will be expanded in 2019.



The Natural Area Development Plan continued implementation in 2018, with ongoing maintenance and upgrades to Park roads as well as many trail improvements and construction of a new bicycle trail.

Department Reports

INTERPRETATION, EDUCATION, PROGRAMMING, AND EXHIBITS

The 2018 season was filled with positive growth for the Park's Interpretation, Education, Programming and Exhibits staff. 2018 saw the development of two brand-new interpretive programs: a "Guided Hike to Friar's Head", which was designed to highlight the Park's natural area and trail systems and was presented to over 500 visitors; and "An Evening at the Cottage", an exciting evening program which featured a "Presidential" cocktail hour, an exclusive evening tour of the Roosevelt Cottage, and an East Coast Feast at Prince Cottage. The "Evening at the Cottage" event sold out all dates in 2018 and additional dates have been added for 2019.

2018 also saw the continuation of existing successful programs. The "F.U.N. Tour", introduced in 2017, saw a growth of 50% in the number of participants (totaling 4371 in 2018), and was nominated for a Governor General's Award for Excellence in Interpretation. "Tea with Eleanor" continued to operate out of the recently renovated Wells-Shober Cottage Tea Room, and the program continued to receive wonderful feedback from visitors. Special outreach editions of "Tea with Eleanor" program were delivered at the Algonquin Resort in Saint Andrews, N.B., and the Grand Manan Island Museum to sold out audiences. Many Guide staff had the opportunity to deliver the "Tea with Eleanor" program for the first time. Research and planning continues throughout the winter season to ensure an exciting and positive 2019 season.

MARKETING & VISITOR SERVICES

Following the closure of the Fireside Restaurant in 2017, the Marketing and Visitor Services department made a number of significant changes to the Food Service and Conference Program operations at the Park. The Prince Cottage, formerly off limits to the public and the centre of activity for the Park's conference and group travel programs, was converted into a Café which opened in May, 2018. The Prince Café, open daily, offered continental breakfast and home style lunch options to the visiting public. The Adams Lodge building (formerly known as the Fireside Restaurant) was converted into the home of conference and group travel programs, enabling the Park to host larger groups for these activities. These two changes were widely met with positive reviews by all users and were a general success. The Conference Program, encompassing all conference and group travel activity, saw its busiest year ever in 2018, due to effective marketing and inclusion in Province of New Brunswick tourism marketing initiatives.

Park visitation continues to be strong, with a total visitation of 153,938 in 2018. The percentage of total visitation of visitors to the Natural Area continues to trend upwards, reaching a high of 18% in 2018. A visitor survey reaching over 1000 respondents was conducted in 2018 with the assistance of volunteers, and reviews of the Park on social media platforms and external websites such as TripAdvisor continue to be extremely positive.

In Memory

CHANDLER ROOSEVELT LINDSLEY 1934-2018

Chandler Roosevelt Lindsley passed away on July 19, 2018. By presidential appointment, Chandler was nominated as an Alternate Commissioner to the Roosevelt Campobello International Park Commission in 1990, where she served until 2015. To raise funds for the park, Chandler published several books featuring favorite Roosevelt family recipes and compilations of memorable quotes from Eleanor and Franklin.

Chandler was probably the most beloved of all the Commissioners by fellow Commissioners, staff of the Park and visitors alike. She was always a modest and most gracious lady and kindness pervaded her character. She was involved in all of the Commission's work, but took special interest and pride in the historic Roosevelt Cottage, the education, training and performance of the historic Cottage guides, and anything that preserved the legacy and values of her grandparents, Eleanor and Franklin. While Chandler was consistently a "lady", she was no shrinking violet. She had enormously good judgment and was not hesitant about sharing her opinions or views whenever appropriate. Along with terrific ideas and great imagination, she developed on her own several of the books and booklets available at the Park's Gift Shop that she felt enhanced the insight and personal knowledge of her grandparents by the visiting public.



Chandler loved Campobello Island and whenever her busy schedule permitted she took extra days around regular Commission meetings to bring her family to Campobello to experience what she had as a child and what the Island and its people had to offer.

Chandler had no need to ever prove herself, but she was a successful cattle rancher in Texas. In her spare time she served on the Boards of Trustees of four independent schools and was active in volunteer work, primarily in the education field. She also served on the Texas Governor's Advisory Committee on Education (1979-81), the Coordinating Board of Texas Higher Education (1981-87), Nursing Education Study Committee for the Texas State Legislature (1989-90), and the Higher Education Governance Study Committee (1990).

Chandler was predeceased by her beloved husband Henry Dickinson Lindsley, III. Perhaps her most favorite pastime was her garden. It was admired by many. Chandler left this world on her own terms and doing what she loved best: working in her garden.

Transitions 2018

RETIRING STAFF



Vern McKimney retired in 2018 after 9 years of service in the role of Manager of Marketing and Visitor Services. Vern was instrumental in the design and implementation of new communications strategies at Roosevelt Campobello International Park, and oversaw large marketing projects such as the redevelopment of the RCIP website. RCIP thanks Vern for his leadership and creativity and we wish Vern all the best in his retirement!

Thank You!

We gratefully acknowledge and thank the governments of the United States and Canada for their continued support of this unique Park. Our special thanks goes out to the people of both countries for preserving, supporting and funding Roosevelt Campobello International Park.

We extend our thanks to the many staff and volunteers who work so hard every day to preserve this legacy of friendship which the Park was established to honour.

Most importantly we want to thank our many visitors from both countries and around the world, they are the reason this Park was created.

We hope you will join us in 2019!

Commissioners & Management

COMMISSIONERS

United States

Christopher du P. Roosevelt,
Vice Chair
Lyme, Connecticut

Senator Angus King
Brunswick, Maine

Richard J. Warren
Bangor, Maine

Canada

Honourable Greg Thompson
Chair
St. Andrews, New Brunswick

Edward L. D. McLean,
Saint John, New Brunswick

G. Fred Nicholson, Q.C.
St. Stephen, New Brunswick

ALTERNATES

United States

Anna Eleanor Roosevelt
Portland, Maine

Sidney Unobskey
Calais, Maine

Philip W. Conkling
Camden, Maine

Canada

Ann McCain Evans
Toronto, Ontario

Vacant

Honourable Michael A. Meighen,
C.M.Q.C.
Toronto, Ontario

MANAGEMENT STAFF

James P. Carr
Superintendent

Stephen Smart
Manager, Operations

Laura A. Tinker
Manager, Finance,
Administration and Human
Resources

Will Kernohan
Manager, Interpretation,
Education, Programming and
Exhibits

Kate Johnston
Manager, Marketing and
Visitor Services

Foster & Company, LLC
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

Roosevelt Campobello International Park Commission
459 Route 774, Welshpool, New Brunswick E5E 1A4
P.O. Box 129, Lubec, Maine 04652

We have audited the accompanying financial statements of Roosevelt Campobello International Park Commission, which comprise the statement of financial position as of December 31, 2018 and December 31, 2017, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Roosevelt Campobello International Park Commission as of December 31, 2018 and December 31, 2017 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information on schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Foster + Company LLC

Certified Public Accountants

Bucksport, Maine

February 26, 2019

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

ASSETS	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and Cash Equivalents - Note 2	\$ 697,876	\$ 1,635,540
Investments - Note 5	1,006,159	104,583
Accounts Receivable	91,945	6,054
Inventories	160,947	36,314
Prepaid Expenses - Note 4	<u>39,120</u>	<u>51,522</u>
Total Current Assets	1,996,047	1,834,013
Non-Current Assets		
Inventories	81,955	-
Property and equipment - Net - Note 6	<u>6,072,020</u>	<u>5,928,590</u>
Total Non-Current Assets	<u>6,153,975</u>	<u>5,928,590</u>
<u>Total Assets</u>	<u>\$ 8,150,022</u>	<u>\$ 7,762,603</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 33,920	\$ 7,074
Accrued payroll and related taxes & benefits	34,407	35,959
Accrued sick and vacation payable - Note 2	<u>358,457</u>	<u>338,430</u>
Total Current Liabilities	<u>426,784</u>	<u>381,463</u>
Net Assets		
Without donor restrictions	7,723,238	7,381,140
With donor restrictions	<u>-</u>	<u>-</u>
Total Net Assets (Exhibit B)	<u>7,723,238</u>	<u>7,381,140</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 8,150,022</u>	<u>\$ 7,762,603</u>

See accompanying notes.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
STATEMENT OF ACTIVITIES
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

	<u>2018</u>	<u>2017</u>
Operating Activities		
Revenues, Gains and Other Support		
Federal grants:		
Canada - Operating	\$ 1,657,897	\$ 1,657,897
United States - Operating	1,657,897	1,657,897
New Brunswick Summer Youth Programs	5,462	11,770
New Brunswick Tourism Hub Grant	770	662
New Brunswick Heritage Fund Grant	17,093	11,250
Visitors' and other donations	10,692	19,429
Gift Shop - Net - Schedule 3	713	10,082
Other	-	112,511
Interest	4,644	6,741
	<u>3,355,168</u>	<u>3,488,239</u>
Total Revenues, Gains and Other Support		
Expenses and Losses:		
Park Services - (Exhibit C)	2,256,941	2,153,850
Management & General - (Exhibit C)	581,341	557,604
Food Services Loss - Net - Schedule 1	103,883	145,879
Conference Lodging Loss - Net - Schedule 2	43,968	28,054
Teas Program Loss - Net - Schedule 4	25,235	28,301
	<u>3,011,368</u>	<u>2,913,688</u>
Total Expenses and Losses		
Change in Net Assets from Operations	<u>343,800</u>	<u>574,551</u>
Non Operating Activities		
Investment at Return - Net	8,161	52
Currency Exchange Gain/(Loss) - Note 8	(9,863)	2,927
	<u>(1,702)</u>	<u>2,979</u>
Total Non Operating Activities		
Change in Net Assets from Non Operating	342,098	577,530
Net Assets at Beginning of Year	<u>7,381,140</u>	<u>6,803,610</u>
Net Assets at End of Year (Exhibit A)	<u>\$ 7,723,238</u>	<u>\$ 7,381,140</u>

See accompanying notes.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

	<u>2018</u>			<u>2017</u>		
	<u>Park Services</u>	<u>Management & General</u>	<u>Total</u>	<u>Park Services</u>	<u>Management & General</u>	<u>Total</u>
Administrative Staff	\$ 60,907	\$ 292,680	\$ 353,587	\$ 72,964	\$ 262,519	\$ 335,483
Security Staff	249,427	-	249,427	255,306	-	255,306
Maintenance Staff	570,172	-	570,172	556,150	-	556,150
Guides	442,703	-	442,703	413,098	-	413,098
Gardening Staff	164,262	-	164,262	134,641	-	134,641
Payroll Taxes & Benefits	247,398	23,800	271,198	253,666	51,709	305,375
<u>Total Personnel Services</u>	<u>1,734,869</u>	<u>316,480</u>	<u>2,051,349</u>	<u>1,685,825</u>	<u>314,228</u>	<u>2,000,053</u>
Commission	-	29,345	29,345	-	42,785	42,785
Professional Services	14,427	136,703	151,130	2,377	98,241	100,618
Marketing & Publications	105,485	-	105,485	115,947	-	115,947
Utilities & Telephone	46,525	16,589	63,114	40,389	23,363	63,752
Insurance	44,812	17,863	62,675	36,441	17,006	53,447
Park Maintenance	141,426	2,347	143,773	119,228	1,848	121,076
Office Supplies	1,596	16,486	18,082	1,674	26,184	27,858
Other	17,503	37,618	55,121	22,192	27,119	49,311
Depreciation	150,298	7,910	158,208	129,777	6,830	136,607
<u>Total Other Operating Cost</u>	<u>522,072</u>	<u>264,861</u>	<u>786,933</u>	<u>468,025</u>	<u>243,376</u>	<u>711,401</u>
<u>Total Operating Cost - (Exhibit B)</u>	<u>\$ 2,256,941</u>	<u>\$ 581,341</u>	<u>\$ 2,838,282</u>	<u>\$ 2,153,850</u>	<u>\$ 557,604</u>	<u>\$ 2,711,454</u>

See accompanying notes.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
STATEMENT OF CASH FLOWS – ALL FUNDS
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets - (Exhibit B)	\$ 342,098	\$ 577,530
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	158,208	147,941
(Gain)/Loss on Disposal	-	(10)
Unrealized (Gain)/Loss on Investments	1,738	
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(85,891)	(4,627)
Decrease in prepaid expenses	12,402	53,886
(Increase)/Decrease in inventory	(206,588)	10,262
Increase/(Decrease) in accounts payable	26,846	(4,989)
(Decrease) in deferred revenue	-	(285,000)
Increase/(Decrease) in accrued payroll and related taxes	(1,552)	9,957
Increase/(Decrease) in accrued sick and vacation payable	20,027	(1,177)
Net Cash Provided by Operating Activities	<u>267,288</u>	<u>503,773</u>
Cash Flows from Investing Activities		
Purchases of investments	(1,007,950)	(105,146)
Proceeds from investments	104,635	215,901
Purchase of property and equipment	(301,637)	(206,796)
Proceeds from Sales of Equipment	-	5,360
Net Cash Used in Investing Activities	<u>(1,204,952)</u>	<u>(90,681)</u>
Increase (Decrease) in Cash and Cash Equivalents	(937,664)	413,092
Cash and Cash Equivalents at Beginning of Year	<u>1,635,540</u>	<u>1,222,448</u>
Cash and Cash Equivalents at End of Year - (Exhibit A)	<u>\$ 697,876</u>	<u>\$ 1,635,540</u>

See accompanying notes.

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
SCHEDULE OF SEGMENT REVENUE AND EXPENSES
FOOD SERVICES
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

Sales	\$ 182,018
Cost of Sales	<u>76,484</u>
Gross Profit	<u>105,534</u>
Expenses	
Wages	166,611
Payroll Taxes & Benefits	<u>18,651</u>
Total Wages	185,262
Direct Expenses	
Maintenance Expense	4,214
Office Supplies	1,923
Cleaning Supplies	1,836
Replenish Small Equipment	2,752
Uniforms	1,070
Insurance	6,455
Advertising & Marketing	105
Telephone Expense	821
Utilities Power Heat	4,382
Propane Expense	139
Professional Services	104
Employee Training	315
Travel	<u>39</u>
Total Direct Expenses	<u>24,155</u>
Total Expenses	<u>209,417</u>
Net Loss - Exhibit B	<u><u>\$ (103,883)</u></u>

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
SCHEDULE OF SEGMENT REVENUE AND EXPENSES
CONFERENCE LODGING
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

Sales	\$ 123,440
Expenses	
Wages	99,729
Payroll Taxes & Benefits	<u>11,239</u>
Total Wages	<u>110,968</u>
Direct Expenses	
Utilities	26,540
Cleaning Supplies	2,001
Replenish Small Equipment	5,786
Other Expenses	<u>22,113</u>
Total Direct Expenses	<u>56,440</u>
Total Expenses	<u>167,408</u>
Net Loss - Exhibit B	<u><u>\$ (43,968)</u></u>

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
SCHEDULE OF SEGMENT REVENUE AND EXPENSES
GIFT SHOP
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

Sales	\$ 46,210
Cost of Sales	<u>27,779</u>
Gross Profit	<u>18,431</u>
Expenses	
Wages	16,304
Payroll Taxes & Benefits	<u>1,414</u>
Total Wages	<u>17,718</u>
Direct Expenses	
Other Expenses	<u>-</u>
Total Direct Expenses	<u>-</u>
Total Expenses	<u>17,718</u>
Net Profit - Exhibit B	<u><u>\$ 713</u></u>

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
SCHEDULE OF SEGMENT REVENUE AND EXPENSES
TEA PROGRAM
DECEMBER 31, 2018 and DECEMBER 31, 2017
(Expressed in United States Dollars)

Sales	\$ 37,923
Cost of Sales	<u>12,576</u>
Gross Profit	<u>25,347</u>
Expenses	
Wages	43,779
Payroll Taxes & Benefits	<u>5,606</u>
Total Wages	<u>49,385</u>
Direct Expenses	
Replenish Small Equipment	601
Other Expenses	<u>596</u>
Total Direct Expenses	<u>1,197</u>
Total Expenses	<u>50,582</u>
Net Loss - Exhibit B	<u><u>\$ (25,235)</u></u>

ROOSEVELT CAMPOBELLO INTERNATIONAL PARK COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1 – Description of the Organization

The Roosevelt Campobello International Park Commission was established on August 14, 1964, by the Governments of Canada and the United States of America to commemorate President Franklin D. Roosevelt and to provide a symbol of friendly relations between the people of Canada and the United States.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – The financial statements of Roosevelt Campobello International Park Commission have been prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”), which require Roosevelt Campobello International Park Commission to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Roosevelt Campobello International Park Commission’s management and commission.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Roosevelt Campobello International Park Commission or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Contributions that are restricted by the donor or grantor are reported as an increase in net assets without donor restrictions if the restriction has been met or expired within the reporting period in which the contribution is recognized. During 2018 and 2017 all contributions and grants with restrictions received had their restrictions met within that same reporting period.

Measure of operations- The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Roosevelt Campobello International Park Commission ongoing Park services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – The Roosevelt Campobello International Park Commission’s cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

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Note 2 – Summary of Significant Accounting Policies (Continued)

Concentration of credit risk – Financial instruments that potentially subject Roosevelt Campobello International Park Commission to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Roosevelt Campobello International Park Commission maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Funds exceeding those limits, within United States banks, have been further protected by pledged Federal Reserve securities. The Roosevelt Campobello International Park Commission’s cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Roosevelt Campobello International Park Commission has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments – Investments are reported at cost, if purchased, or fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair value measurement – Fair value is defined as the price that would be received to sell an asset in the principals or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity’s assumptions (unobservable inputs). The Roosevelt Campobello International Park Commission groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- | | |
|---------|---|
| Level 1 | Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date. |
| Level 2 | Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">▪ Quoted prices for similar assets/liabilities in active markets;▪ Quoted prices for identical or similar assets in non-active markets;▪ Inputs other than quoted prices that are observable for the asset/liability;
and,• Inputs that are derived principally from or corroborated by other observable market data. |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data. |

Inventories - Inventories are valued at the lower of cost or market. Cost has been determined by the first-in, first-out method.

Property and Equipment, Net - Property and equipment acquisitions, including those obtained under capital leases, with individual costs in excess of \$1,000 are capitalized. Depreciation expense is computed on the straight-line method with estimated useful lives of five to fifteen years for equipment and of forty years for buildings and improvements. Historical treasures, such as the Roosevelt Cottage and its contents, have not been depreciated. Donated assets are recorded at fair

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market value at the date of the gift. Original donations consist primarily of the Roosevelt Cottage. Artifact restoration is expensed as work progresses and is not capitalized or depreciated.

Note 2 – Summary of Significant Accounting Policies (Continued)

Accrued Sick and Vacation Liability - The employees are allowed to accumulate sick and vacation time to a maximum number of hours depending upon the length of service. This liability is expected to be paid as the employees terminate their employment and has been recorded as a liability. A few employees have earned sick time beyond the amount that has been recorded as a liability. They would only be paid for that excess time at the discretion of the Commission during a documented illness. The likelihood of such payments is remote and therefore calculation of the amount is not possible.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Contributions of services are recognized when the services received create or enhance nonfinancial assets, require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized.

Several volunteers have made significant contributions of their time in furtherance of Roosevelt Campobello International Park Commission’s mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among park services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Personnel services	Full time equivalent
Professional services	For services rendered actual expense
Utilities	Percentage by location (cost center)
Insurance	Percentage by location (cost center)
Maintenance	By location actual expense
Supplies	By location actual expense
Depreciation	Percentage by location (cost center)
Other/Commission	By location actual expense

Use of estimates - The preparation of financial statements in conformity with US GAAP requires

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management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimated.

Note 2 – Summary of Significant Accounting Policies (Continued)

Income Tax Responsibility - The Park Commission established through international agreement is exempt from Federal, State and Provincial income taxes and therefore no provision for income taxes has been made.

The Park Commission has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Management believes there were no activities subject to tax on unrelated business income.

Reclassifications – Certain prior year amounts have been reclassified to conform to the current year presentation.

New Accounting Pronouncement – On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Roosevelt Campobello International Park Commission has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

Note 3 – Availability and Liquidity

The following represents Roosevelt Campobello International Park Commission's financial assets at December 31, 2018 and 2017:

	2018	2017
Financial assets at year-end:		
Cash and cash equivalents	\$697,876	\$1,635,540
Investments	1,006,159	104,583
Total Financial Assets	1,704,035	1,740,123
Less amounts not available to be used within one year:		
Net assets with donor restrictions	-	-
Less net assets with purpose restriction to be met in less than a year	-	-
Funds set aside by the Commission for projects greater than a year	1,037,535	1,321,123
Financial assets available to meet general expenditures over the next twelve months.	\$645,500	\$419,000

Roosevelt Campobello International Park Commission's goal is generally to maintain financial assets to meet targeted goals to be set by the Commission (approximately \$1 million). As part of management's liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

Note 4 – Prepaid Expenses

Prepaid expenses for the years ended December 31, 2018 and 2017 were comprised of prepaid advertising costs in the amount of \$21,943 and \$25,096 respectively, and prepaid insurance in the amounts of \$17,177 and \$26,426, respectively.

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Note 5 – Investments

The following is a summary of investments at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$20,242	\$ -
Certificates of deposit	-	104,583
US Government notes & bonds	494,474	-
CDN Government notes & bonds	488,443	-
	<u>\$1,006,159</u>	<u>\$104,583</u>

As of December 31, 2018 and 2017 all investments were considered level 1. The components of total investment return from investments for December 31, 2018 and 2017 are reflected below:

	<u>2018</u>	<u>2017</u>
Dividends & Interest	\$22,498	\$52
Investment Fees	(12,599)	-
Unrealized (Loss)	(1,738)	-
	<u>\$8,161</u>	<u>\$52</u>

Note 6 – Property and Equipment, Net

Property and equipment, net consisted of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Property and equipment	\$8,956,865	\$8,655,227
Less: accumulated depreciation	2,866,181	2,726,637
	<u>\$6,090,683</u>	<u>\$5,928,590</u>

For the years ended December 31, 2018 and 2017, depreciation expense totaled \$139,544 and \$147,940 respectively.

Note 7 – Net Assets

Net assets without donor restrictions for the years ended December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Undesignated	\$6,153,975	\$5,928,590
Board designated	1,569,263	1,452,550
	<u>\$7,723,238</u>	<u>\$7,381,140</u>

Board Designated Net Assets is comprised of the following:

	<u>2018</u>	<u>2017</u>
Vehicle Replacement	\$270,000	\$260,000
Office Equipment/Programming	95,000	83,000
Maintenance Equipment Replacement	100,763	53,000
Building and Grounds	1,103,500	1,056,550
	<u>\$1,569,263</u>	<u>\$1,452,550</u>

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Note 8 - Currency Exchange

The Commission maintains cash accounts in both the U.S. and Canada and has transactions during the year involving Canadian currency. Items of revenue and expenses involving Canadian currency are recorded in U.S. dollars and are translated to U.S. dollars as they occur, at the rate of exchange in effect at the date of transaction. Canadian cash on hand at the balance sheet date is converted to U.S. dollars at the rate of exchange in effect at that time. Any net exchange gain or (loss) for the year is recognized in the statement of activities.

Note 9 - Pension Plan

The Commission has a noncontributory pension plan that covers its U.S. employees. Pension expenses charged to operations were \$29,522 for the year ended December 31, 2018 and \$36,891 for the year ended December 31, 2017.

The Canadian employees participate in a group registered retirement savings plan. The eligible employees receive an increase in their wage base to cover the pension costs. Then this increase is invested on their behalf through a payroll deduction into the group registered retirement savings plan. This pension cost of \$165,438 for the year ended December 31, 2018 and \$147,150 for the year ended December 31, 2017 is reflected as part of salaries and wages expense.

Note 10- Evaluation of Subsequent Events

The Commission has evaluated subsequent events through February 26, 2019, the date the financial statements were available to be issued.