

Alberta Sport, Recreation, Parks and Wildlife Foundation

Financial Statements

March 31, 2006

Alberta Sport, Recreation, Parks and Wildlife Foundation
Financial Statements
March 31, 2006

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs

Auditor's Report

To the Members of the Alberta Sport, Recreation, Parks and Wildlife Foundation

I have audited the statement of financial position of the Alberta Sport, Recreation, Parks and Wildlife Foundation (the Foundation) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
May 19, 2006

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Statement of Operations
For the year ended March 31, 2006
(thousands of dollars)

	2006				2005	
	Budget	Operating Fund	Restricted Fund	Endowment Fund	Total Actual	Total Actual
Revenues						
Internal Government Transfers	\$ 17,795	\$ 17,792	\$ -	\$ -	\$ 17,792	\$ 17,795
Transfers from Government of Canada	500	378	-	-	378	325
Investment Income	315	185	63	-	248	135
Premiums, Fees and Licences	125	157	-	-	157	92
Other Revenue						
Donations	797	467	182	-	649	708
Percy Page Centre Sales (Note 9)	505	386	-	-	386	388
Refunds of Expenses	20	19	-	-	19	10
Parks and Wildlife Ventures Sales	-	-	6	-	6	1
Miscellaneous Revenue	70	57	-	-	57	48
	<u>20,127</u>	<u>19,441</u>	<u>251</u>	<u>-</u>	<u>19,692</u>	<u>19,502</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3)						
Provincial Programs	12,760	12,446	90	-	12,536	11,984
Alberta and Interprovincial Games	2,392	2,293	83	-	2,376	2,790
Municipal Recreation / Tourism Areas	1,445	1,498	-	-	1,498	1,494
Active Lifestyles	1,500	1,498	-	-	1,498	1,501
Provincial and Regional Development	667	665	-	-	665	634
Percy Page Centre (Note 9)	471	387	-	-	387	402
Parks and Wildlife Ventures	419	239	55	-	294	282
Other Initiatives	130	74	17	-	91	85
Administration	349	336	6	-	342	326
	<u>20,133</u>	<u>19,436</u>	<u>251</u>	<u>-</u>	<u>19,687</u>	<u>19,498</u>
Net Operating Results	<u>\$ (6)</u>	5	-	-	5	4
Fund Balances at Beginning of Year		<u>158</u>	<u>4,041</u>	<u>414</u>	<u>4,613</u>	<u>4,609</u>
Fund Balances at End of Year		<u>\$ 163</u>	<u>\$ 4,041</u>	<u>\$ 414</u>	<u>\$ 4,618</u>	<u>\$ 4,613</u>

The accompanying notes and schedules are part of these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Statement of Financial Position
As at March 31, 2006
(thousands of dollars)

	2006	2005
		Restated (Note 12)
Assets		
Cash (Note 3)	\$ 2,519	\$ 2,777
Accounts Receivable (Note 4)	126	285
Prepaid Expenses and Inventory	70	53
	2,715	3,115
Tangible Capital Assets (Note 5)	2,315	2,322
	\$ 5,030	\$ 5,437
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 412	\$ 805
Unearned Revenue	-	19
	412	824
Fund Balances		
Operating	163	158
Endowment (Note 7)	414	414
Restricted (Note 8)	4,041	4,041
	4,618	4,613
	\$ 5,030	\$ 5,437

The accompanying notes and schedules are part of these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Statement of Cash Flows
For the year ended March 31, 2006
(thousands of dollars)

	2006	2005
Operating Transactions		
Net Operating Results	\$ 5	\$ 4
Non-cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets	6	6
	11	10
(Increase) Decrease in Accounts Receivable	159	(52)
(Increase) Decrease in Prepaid Expenses and Inventory	(16)	2
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(393)	87
Increase (Decrease) in Unearned Revenue	(19)	19
	(258)	66
Cash Provided by Operating Transactions	(258)	66
Increase (Decrease) in Cash	(258)	66
Cash, Beginning of Year	2,777	2,711
Cash, End of Year	\$ 2,519	\$ 2,777

The accompanying notes and schedules are part of these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 1 Authority and Purpose

The Alberta Sport, Recreation, Parks and Wildlife Foundation (Foundation) operates under the authority of the *Alberta Sport, Recreation, Parks and Wildlife Foundation Act*, Chapter A-34, Revised Statutes of Alberta 2000.

The purpose of the Foundation is to support enhancement of sport, recreation, parks and wildlife programs for all Albertans.

The Foundation is a Crown agent of the Government of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all entities.

(a) Reporting Entity

The reporting entity is the Alberta Sport, Recreation, Parks and Wildlife Foundation, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Fund Accounting

Transactions are grouped, for accounting and reporting purposes, into funds in accordance with specified activities or objectives. These funds are described as follows:

- The operating fund accounts for revenues and expenses associated with the primary activities of the Foundation;
- The restricted fund accounts for non-government contributions received for which donors have specified the purpose, restricted interest earned, related expenses incurred, and funds restricted by the Board of Directors; and

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Fund Accounting (continued)

- The endowment fund accounts for contributions received under various agreements with sponsors and matching funds provided by the Foundation. Interest earned on the existing endowment funds can only be used to fund various sport programs, and are therefore recorded as part of the restricted fund. The principal must remain intact.

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value can reasonably be determined.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Foundation has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include amortization of tangible capital assets.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

Incurred by Others

Services contributed by other entities in support of the Foundation's operations are disclosed in Schedule 3.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Assets

Financial assets of the Foundation are limited to financial claims, such as advances to and receivables from other organizations and individuals as well as inventories held for resale.

Tangible capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other assets is \$5,000. All land is capitalized.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 3 Cash (thousands of dollars)

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed by Alberta Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositor's capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. Interest is earned on the Foundation's daily cash balance at the average rate of the CCITF's earnings, which varies depending on prevailing market interest rates.

Due to the short-term nature of these deposits, the carrying value approximates fair value.

Cash in the amount of \$1,879 has been externally restricted and \$325 has been internally restricted and is therefore not available to pay for operating expenses of the Foundation. (Note 7 and 8)

Note 4 Accounts Receivable (thousands of dollars)

	2006		2005	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 104	\$ -	\$ 104	\$ 157
Other	14	-	14	3
Refunds of Expenses	8	-	8	125
	\$ 126	\$ -	\$ 126	\$ 285

Accounts receivable are unsecured and non-interest bearing.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 5 Tangible Capital Assets (thousands of dollars)

	Estimated Useful Life	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value Restated (Note 12)
Land, Unrestricted	N/A	\$ 64	\$ -	\$ 64	\$ 64
Land, Use Restricted by Donors ^(a)	N/A	2,050	-	2,050	2,050
Buildings, Use Restricted by Donors ^(a)	40 years	255	(54)	201	208
		<u>\$ 2,369</u>	<u>\$ (54)</u>	<u>\$ 2,315</u>	<u>\$ 2,322</u>

^(a) Restricted for use in the Parks and Wildlife Ventures program.

Note 6 Artworks

The Foundation has a collection of artworks consisting of 19 (2005 – 20) prints of the Waterfowl of North America Collection #1250 with an approximate value of \$5,333 (2005 – \$5,652). During the year, there was 1 (2005 – 2) disposition.

Note 7 Endowment Fund (thousands of dollars)

The endowment fund balance comprises:

	2006	2005
Externally Restricted Contributions	\$ 216	\$ 216
Internally Restricted Matching Funds	198	198
	<u>\$ 414</u>	<u>\$ 414</u>

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 8 Restricted Fund (thousands of dollars)

The restricted fund balance comprises:

	2006	2005
		Restated (Note 12)
Investment in Land and Buildings ^(a)	\$ 2,251	\$ 2,258
Externally Restricted Funds	1,663	1,663
Internally Restricted Funds	127	120
	\$ 4,041	\$ 4,041

^(a) The land and buildings are governed by restrictions that require the Foundation to use these assets for its programs.

Note 9 Percy Page Centre

The Foundation operates the Percy Page Centre, Edmonton, to provide accommodation and office services to non-profit organizations. These organizations are charged for their use of office equipment, supplies and print shop facilities.

Note 10 Honoraria (thousands of dollars)

	2006			2005
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board ^(c)				
Chair	\$ 1	\$ -	\$ 1	\$ 1
Other Members (10)	46	-	46	18
	\$ 47	\$ -	\$ 47	\$ 19

^(a) The Foundation has no employees. Staff of the Department of Community Development administer the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Board Directive 03/2004, is included in the financial statements of the Department of Community Development.

^(b) No benefits were provided to board members.

^(c) Members appointed to the Foundation are paid honoraria for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, to attend out-of-town meetings and for attending to other Foundation duties.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
For the year ended March 31, 2006

Note 11 Contractual Obligations (thousands of dollars)

	2006	2005
Grant Agreements	\$ 1,044	\$ 814
Long-term Leases	468	318
Service Contracts	161	294
	\$ 1,673	\$ 1,426

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Grant Agreements	Long-term Leases	Service Contracts	Total
2007	\$ 554	\$ 101	\$ 98	\$ 753
2008	440	85	63	588
2009	50	80	-	130
2010	-	70	-	70
2011	-	66	-	66
Thereafter	-	66	-	66
	\$ 1,044	\$ 468	\$ 161	\$ 1,673

Note 12 Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

Note 13 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Expenses – Directly Incurred Detailed By Object
For the year ended March 31, 2006
(thousands of dollars)

	2006		2005
	Budget	Actual	Actual
Grants	\$ 15,941	\$ 15,103	\$ 15,782
Supplies and Services	2,365	2,720	1,929
Supplies and Services from Support Service Arrangements with Related Parties ^(a)	1,810	1,810	1,762
Honoraria (Note 10)	11	47	19
Amortization of Tangible Capital Assets	6	6	6
Other	-	1	-
	<u>\$ 20,133</u>	<u>\$ 19,687</u>	<u>\$ 19,498</u>

^(a) The Foundation receives administrative services for various recreational, park, and wildlife facilities as well as other general financial and administrative services from the Department of Community Development.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Related Party Transactions
For the year ended March 31, 2006
(thousands of dollars)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements.

The Foundation paid or collected certain taxes and fees set by regulation for permits, licences, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Foundation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues				
Internal Government Transfers				
Department of Community Development	\$ 17,670	\$ 17,670	\$ -	\$ -
Alberta Foundation for the Arts	122	125	-	-
	<u>\$ 17,792</u>	<u>\$ 17,795</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Other services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 97</u>
Accounts Receivable	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

The Foundation also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 3.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 699	\$ 717
Other Services	359	200	-	-
Legal	-	-	5	2
	<u>\$ 359</u>	<u>\$ 200</u>	<u>\$ 704</u>	<u>\$ 719</u>

Alberta Sport, Recreation, Parks and Wildlife Foundation
Allocated Costs
For the year ended March 31, 2006
(thousands of dollars)

Program	Expenses – Incurred by Others				Total Expenses	Total Expenses
	Expenses ^(a)	Accommodation Costs ^(b)	Other Services ^(c)	Legal ^(d)		
Provincial Programs	\$ 12,536	\$ 7	\$ 115	\$ -	\$ 12,658	\$ 12,054
Alberta and Interprovincial Games	2,376	69	129	-	2,574	2,929
Municipal Recreation / Tourism Areas	1,498	1	18	-	1,517	1,505
Active Lifestyles	1,498	1	14	-	1,513	1,510
Provincial and Regional Development	665	-	4	-	669	636
Percy Page Centre (Note 9)	387	617	14	-	1,018	1,048
Parks and Wildlife Ventures	294	1	22	5	322	297
Other Initiatives	91	-	4	-	95	87
Administration	342	3	39	-	384	351
	<u>\$ 19,687</u>	<u>\$ 699</u>	<u>\$ 359</u>	<u>\$ 5</u>	<u>\$ 20,750</u>	<u>\$ 20,417</u>

- (a) Expenses – Directly Incurred as per Statement of Operations.
(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.
(c) Costs shown for Other Services on Schedule 2, allocated by estimated costs incurred by each program.
(d) Costs shown for Legal Services on Schedule 2, allocated by estimated costs incurred by each program.