

# **Alberta Sport, Recreation, Parks and Wildlife Foundation**

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Financial Statements

March 31, 2003

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Financial Statements**  
**March 31, 2003**

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## 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 as at March 31, 2003 and the statements of operations and changes in financial position 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 Alberta Sport, Recreation, Parks and Wildlife Foundation as at March 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta  
May 23, 2003

Original Signed by Fred J. Dunn, FCA  
Auditor General

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Statement of Operations**  
**For the year ended March 31, 2003**

	2003				2002	
	Budget (Schedule 2)	Operating Fund	Restricted Fund	Endowment Fund	Total Actual	Total Actual
<b>Revenues</b>						
Internal Government Transfers	\$ 15,210,000	\$ 15,210,000	\$ -	\$ -	\$ 15,210,000	\$ 15,212,000
Investment Income	230,000	114,281	67,833	-	182,114	261,291
Premiums, Fees and Licences	60,000	65,096	-	-	65,096	111,117
<b>Other Revenue</b>						
Donations	766,000	198,692	283,574	2,075	484,341	474,268
Percy Page Centre Sales (Note 10)	505,000	438,732	-	-	438,732	429,023
Refunds of Expenses	20,000	9,974	8,009	-	17,983	8,860
Parks and Wildlife Ventures Sales	-	-	3,872	-	3,872	2,276
Miscellaneous Revenue	80,000	82,563	-	-	82,563	94,938
	<u>\$ 16,871,000</u>	<u>\$ 16,119,338</u>	<u>\$ 363,288</u>	<u>\$ 2,075</u>	<u>\$ 16,484,701</u>	<u>\$ 16,593,773</u>
<b>Expenses – Directly Incurred (Note 2b and Schedules 1 and 4)</b>						
Provincial Programs	9,780,000	9,301,653	73,500	-	9,375,153	9,782,822
Alberta and Interprovincial Games	2,509,000	2,489,236	154,120	-	2,643,356	2,207,510
Municipal Recreation / Tourism Areas	1,478,000	1,498,400	-	-	1,498,400	1,512,400
Active Lifestyles	1,307,000	1,306,299	-	-	1,306,299	1,306,438
Provincial and Regional Development	514,000	514,443	-	-	514,443	599,629
Percy Page Centre (Note 10)	502,000	478,027	-	-	478,027	493,279
Parks and Wildlife Ventures	388,000	194,586	98,487	-	293,073	243,180
Other Initiatives	90,000	8,246	18,236	-	26,482	410,979
Administration	309,000	294,431	6,106	-	300,537	312,226
	<u>16,877,000</u>	<u>16,085,321</u>	<u>350,449</u>	<u>-</u>	<u>16,435,770</u>	<u>16,868,463</u>
<b>Net Operating Results</b>	<u>\$ (6,000)</u>	34,017	12,839	2,075	48,931	(274,690)
Fund Balances at Beginning of Year		259,024	3,637,000	410,670	4,306,694	4,581,384
Interfund Transfers (Note 9)		(54,023)	54,023	-	-	-
Fund Balances at End of Year		<u>\$ 239,018</u>	<u>\$ 3,703,862</u>	<u>\$ 412,745</u>	<u>\$ 4,355,625</u>	<u>\$ 4,306,694</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, 2003**

	2003	2002
<b>Assets</b>		
Cash and Short-term Investments (Note 3)	\$ 2,692,500	\$ 2,772,108
Accounts Receivable (Note 4)	112,507	205,557
Prepaid Expenses and Inventory	46,836	34,592
	2,851,843	3,012,257
Capital Assets (Note 5)	2,155,698	2,161,804
	5,007,541	5,174,061
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 644,837	\$ 867,367
Unearned Revenue	7,079	-
	651,916	867,367
<b>Fund Balances</b>		
Operating	239,018	259,024
Endowment (Note 7)	412,745	410,670
Restricted (Note 8)	3,703,862	3,637,000
	4,355,625	4,306,694
	\$ 5,007,541	\$ 5,174,061

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

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Statement of Changes in Financial Position**  
**For the year ended March 31, 2003**

	2003	2002
Operating Transactions		
Net Operating Results	\$ 48,931	\$ (274,690)
Non-cash Items		
Amortization	6,106	6,106
	55,037	(268,584)
Decrease (Increase) in Accounts Receivable	93,050	(22,454)
Decrease (Increase) in Prepaid Expenses and Inventory	(12,244)	(14,757)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(222,530)	670,555
Increase (Decrease) in Unearned Revenue	7,079	-
	(79,608)	364,760
Cash Provided (Used) by Operating Transactions	(79,608)	364,760
Net Cash Provided (Used)	(79,608)	364,760
Cash at Beginning of Year	2,772,108	2,407,348
Cash at End of Year	\$ 2,692,500	\$ 2,772,108

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, 2003**

**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 corporation 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. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

**(a) Reporting Entity**

The reporting entity is the Alberta Sport, Recreation, Parks and Wildlife Foundation, which is part of the Ministry of Community Development and for which the Minister of Community Development 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, 2003**

**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 method of accounting.

Cash donations are reported when 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 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 4.



**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**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.

Capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the useful lives of the assets. The threshold for capitalizing assets is \$5,000. All land is capitalized.

Donated capital assets are recorded at their fair value at date 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 represent all financial claims payable by the Foundation at fiscal year end.

**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, short-term investments, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their book values.

**Note 3 Cash**

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. Alberta Finance manages the CCITF with the objective of providing competitive interest income to depositors while maintaining maximum 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 five 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.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 4 Accounts Receivable**

	2003			2002
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 107,651	\$ -	\$ 107,651	\$ 76,008
Other	4,856	-	4,856	4,549
Refunds of Expenses	-	-	-	125,000
	<u>\$ 112,507</u>	<u>\$ -</u>	<u>\$ 112,507</u>	<u>\$ 205,557</u>

Accounts receivable are unsecured and non-interest bearing.

**Note 5 Capital Assets**

	Estimated Useful Life	2003			2002
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, Unrestricted	N/A	\$ 181,300	\$ -	\$ 181,300	\$ 181,300
Land, Use Restricted by Donors <sup>(a)</sup>	N/A	1,765,199	-	1,765,199	1,765,199
Buildings, Use Restricted by Donors <sup>(a)</sup>	40 years	244,234	(35,035)	209,199	215,305
		<u>\$ 2,190,733</u>	<u>\$ (35,035)</u>	<u>\$ 2,155,698</u>	<u>\$ 2,161,804</u>

<sup>(a)</sup> Restricted for use in the Parks and Wildlife Ventures program.

**Note 6 Artworks**

The Foundation has a collection of artworks consisting of 23 (2002 – 25) prints of the Waterfowl of North America Collection #1250 with an approximate value of \$6,558 (2002 – \$7,297). During the year, there were 2 (2002 – 2) dispositions. The proceeds received of \$275 were donated to the Lesser Slave Lake Bird Observatory for charitable purposes.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 7 Endowment Fund**

The endowment fund balance comprises:

	2003	2002
Externally Restricted Contributions	\$ 214,835	\$ 212,760
Internally Restricted Matching Funds	197,910	197,910
	\$ 412,745	\$ 410,670

**Note 8 Restricted Fund**

The restricted fund balance comprises:

	2003	2002
Investment in Land and Buildings <sup>(a)</sup>	\$ 1,974,398	\$ 1,980,504
Externally Restricted Funds	1,616,631	1,559,495
Internally Restricted Funds	112,833	97,001
	\$ 3,703,862	\$ 3,637,000

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

**Note 9 Interfund Transfer**

The Board of Directors approved an interfund transfer of \$54,023 from the operating fund to the restricted fund.

**Note 10 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.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 11 Honoraria**

	2003		2002	
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Board <sup>(c)</sup>				
Chair	\$ 1,066	\$ -	\$ 1,066	\$ 2,939
Other Members (9)	17,835	-	17,835	10,405
	<u>\$ 18,901</u>	<u>\$ -</u>	<u>\$ 18,901</u>	<u>\$ 13,344</u>

- (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 12/98, 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.

**Note 12 Commitments**

At March 31, 2003, the Foundation has the following commitments:

	2003	2002
Grant Agreements	\$ 1,960,900	\$ 5,460,752
Long-term Leases <sup>(a)</sup>	513,009	865,853
Service Contracts	264,075	111,800
	<u>\$ 2,737,984</u>	<u>\$ 6,438,405</u>

- (a) The Percy Page Centre leases photocopiers, fax machines and other office equipment.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 12 Commitments (continued)**

The aggregate amounts payable for these leases are as follows:

	2003	2002
2002-2003	\$ -	\$ 154,650
2003-2004	94,957	152,195
2004-2005	93,028	148,867
2005-2006	88,254	144,892
2006-2007	75,269	122,643
2007-2008	60,343	89,146
Thereafter	101,158	53,460
	\$ 513,009	\$ 865,853

**Note 13 Comparative Figures**

Certain 2002 figures have been reclassified to conform to the 2003 presentation.

**Note 14 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, 2003**

	2003		2002
	Budget	Actual	Actual
Grants	\$ 13,454,000	\$ 12,795,227	\$ 12,934,883
Supplies and Services	1,984,500	2,194,536	2,623,830
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	1,421,000	1,421,000	1,290,000
Honoraria (Note 11)	11,500	18,901	13,344
Amortization of Capital Assets	6,000	6,106	6,106
Other	-	-	300
	<u>\$ 16,877,000</u>	<u>\$ 16,435,770</u>	<u>\$ 16,868,463</u>

<sup>(a)</sup> The Foundation receives financial and administrative services from the Department of Community Development.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Budget**  
**For the year ended March 31, 2003**

	2002-2003 Budget	Treasury Board Authorizations	2002-2003 Authorized Budget
<b>Revenues</b>			
<b>Internal Government Transfers</b>			
Department of Community Development	\$ 15,085,000	\$ -	\$ 15,085,000
Alberta Foundation for the Arts	125,000	-	125,000
Investment Income	230,000	-	230,000
Premiums, Fees and Licences	60,000	-	60,000
<b>Other Revenue</b>			
Donations	766,000	-	766,000
Percy Page Centre Sales	505,000	-	505,000
Refunds of Expenses	20,000	-	20,000
Miscellaneous Revenue	80,000	-	80,000
	<u>\$ 16,871,000</u>	<u>\$ -</u>	<u>\$ 16,871,000</u>
<b>Expenses – Directly Incurred</b>			
Provincial Programs	9,780,000	-	9,780,000
Alberta and Interprovincial Games	2,509,000	-	2,509,000
Municipal Recreation / Tourism Areas	1,478,000	-	1,478,000
Active Lifestyles	1,307,000	-	1,307,000
Provincial and Regional Development	514,000	-	514,000
Percy Page Centre	502,000	-	502,000
Parks and Wildlife Ventures	388,000	-	388,000
Other Initiatives	90,000	-	90,000
Administration	309,000	-	309,000
	<u>16,877,000</u>	<u>-</u>	<u>16,877,000</u>
<b>Net Operating Results</b>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>
<b>Capital Investment</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Board of Directors on April 27, 2002.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Related Party Transactions**  
**For the year ended March 31, 2003**

Related parties are those entities consolidated or accounted for on a 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 in the financial statements at the amount of consideration agreed upon between the related parties.

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
<b>Revenues</b>				
Internal Government Transfers				
Department of Community Development	\$ 15,085,000	\$ 15,087,000	\$ -	\$ -
Alberta Foundation for the Arts	125,000	125,000	-	-
	<u>\$ 15,210,000</u>	<u>\$ 15,212,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses – Directly Incurred</b>				
Other services	\$ -	\$ -	\$ 67,196	\$ 44,586
Accounts Receivable	<u>\$ -</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 18,574</u>	<u>\$ -</u>	<u>\$ 1,881</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 and are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
<b>Expenses – Incurred by Others</b>				
Accommodation	\$ -	\$ -	\$ 731,744	\$ 635,686
Legal	2,074	21,039	27,528	31,011
Other Services	264,600	285,537	-	-
	<u>\$ 266,674</u>	<u>\$ 306,576</u>	<u>\$ 759,272</u>	<u>\$ 666,697</u>



**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Allocated Costs**  
**For the year ended March 31, 2003**

Program	Expenses – Incurred by Others					Total Expenses	Total Expenses
	Expenses <sup>(a)</sup>	Accommodation Costs	Legal Services	Other Services	Total Expenses		
Provincial Programs	\$ 9,375,153	\$ 6,588	\$ -	\$ 84,672	\$ 9,466,413	\$ 9,878,959	
Alberta & Interprovincial Games	2,643,356	80,956	-	95,256	2,819,568	2,392,160	
Municipal Recreation / Tourism Areas	1,498,400	1,174	-	13,230	1,512,804	1,527,472	
Active Lifestyles	1,306,299	1,304	-	10,584	1,318,187	1,318,743	
Provincial and Regional Development	514,443	65	-	2,646	517,154	602,528	
Percy Page Centre (Note 10)	478,027	637,809	-	10,584	1,126,420	1,049,437	
Parks and Wildlife Ventures	293,073	1,109	-	15,876	310,058	261,063	
Other Initiatives	26,482	65	29,602	2,646	58,795	465,928	
Administration	300,537	2,674	-	29,106	332,317	345,446	
	<u>\$ 16,435,770</u>	<u>\$ 731,744</u>	<u>\$ 29,602</u>	<u>\$ 264,600</u>	<u>\$ 17,461,716</u>	<u>\$ 17,841,736</u>	

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations.

