

Alberta Sport, Recreation, Parks and Wildlife Foundation

Financial Statements

March 31, 2005

Alberta Sport, Recreation, Parks and Wildlife Foundation
Financial Statements
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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 (the Foundation) as at March 31, 2005 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, 2005 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, 2005

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, 2005
(thousands of dollars)

	2005				2004	
	Budget	Operating Fund	Restricted Fund	Endowment Fund	Total Actual	Total Actual
Revenues						
Internal Government Transfers	\$ 17,795	\$ 17,795	\$ -	\$ -	\$ 17,795	\$ 17,776
Transfers from Government of Canada	500	325	-	-	325	200
Investment Income	315	83	52	-	135	187
Premiums, Fees and Licences	75	92	-	-	92	175
Other Revenue						
Donations	817	382	326	-	708	740
Percy Page Centre Sales (Note 9)	505	388	-	-	388	446
Refunds of Expenses	20	10	-	-	10	25
Parks and Wildlife Ventures Sales	-	-	1	-	1	2
Miscellaneous Revenue	80	48	-	-	48	53
	<u>20,107</u>	<u>19,123</u>	<u>379</u>	<u>-</u>	<u>19,502</u>	<u>19,604</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3)						
Provincial Programs	12,262	11,894	90	-	11,984	11,533
Alberta and Interprovincial Games	2,794	2,665	125	-	2,790	3,042
Municipal Recreation / Tourism Areas	1,528	1,494	-	-	1,494	1,489
Active Lifestyles	1,450	1,501	-	-	1,501	1,450
Provincial and Regional Development	700	634	-	-	634	700
Percy Page Centre (Note 9)	468	402	-	-	402	454
Parks and Wildlife Ventures	440	212	70	-	282	299
Other Initiatives	120	55	30	-	85	93
Administration	351	320	6	-	326	291
	<u>20,113</u>	<u>19,177</u>	<u>321</u>	<u>-</u>	<u>19,498</u>	<u>19,351</u>
Net Operating Results	<u>\$ (6)</u>	<u>(54)</u>	<u>58</u>	<u>-</u>	<u>4</u>	<u>253</u>
Fund Balances at Beginning of Year		<u>329</u>	<u>3,866</u>	<u>414</u>	<u>4,609</u>	<u>4,356</u>
Fund Balances at End of Year		<u>\$ 275</u>	<u>\$ 3,924</u>	<u>\$ 414</u>	<u>\$ 4,613</u>	<u>\$ 4,609</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, 2005
(thousands of dollars)

	2005	2004
Assets		
Cash (Note 3)	\$ 2,777	\$ 2,711
Accounts Receivable (Note 4)	285	233
Prepaid Expenses and Inventory	53	55
	3,115	2,999
Tangible Capital Assets (Note 5)	2,322	2,328
	\$ 5,437	\$ 5,327
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 805	\$ 718
Unearned Revenue	19	-
	824	718
Fund Balances		
Operating	275	329
Endowment (Note 7)	414	414
Restricted (Note 8)	3,924	3,866
	4,613	4,609
	\$ 5,437	\$ 5,327

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, 2005
(thousands of dollars)

	2005	2004
Operating Transactions		
Net Operating Results	\$ 4	\$ 253
Non-cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets	6	6
	10	259
Increase in Accounts Receivable	(52)	(120)
Decrease (Increase) in Prepaid Expenses and Inventory	2	(9)
Increase in Accounts Payable and Accrued Liabilities	87	74
Increase (Decrease) in Unearned Revenue	19	(7)
	66	197
Cash Provided by Operating Transactions		
Capital Transactions		
Purchase of Tangible Capital Assets	-	(140)
Donation of Tangible Capital Assets	-	(38)
	-	(178)
Cash Applied to Capital Transactions		
Increase in Cash	66	19
Cash, Beginning of Year	2,711	2,692
Cash, End of Year	\$ 2,777	\$ 2,711

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, 2005

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, 2005

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 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 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, 2005

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 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 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, 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, 2005

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 \$318 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)

	2005		2004	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 157	\$ -	\$ 157	\$ 121
Other	3	-	3	6
Refunds of Expenses	125	-	125	106
	\$ 285	\$ -	\$ 285	\$ 233

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, 2005

Note 5 Tangible Capital Assets (thousands of dollars)

	Estimated Useful Life	2005			2004
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, Unrestricted	N/A	\$ 181	\$ -	\$ 181	\$ 181
Land, Use Restricted by Donors ^(a)	N/A	1,933	-	1,933	1,933
Buildings, Use Restricted by Donors ^(a)	40 years	255	47	208	214
		<u>\$ 2,369</u>	<u>\$ 47</u>	<u>\$ 2,322</u>	<u>\$ 2,328</u>

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

Note 6 Artworks

The Foundation has a collection of artworks consisting of 20 (2004 – 22) prints of the Waterfowl of North America Collection #1250 with an approximate value of \$5,652 (2004 – \$6,290). During the year, there were 2 (2004 – 1) dispositions.

Note 7 Endowment Fund (thousands of dollars)

The endowment fund balance comprises:

	2005	2004
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, 2005

Note 8 Restricted Fund (thousands of dollars)

The restricted fund balance comprises:

	2005	2004
Investment in Land and Buildings ^(a)	\$ 2,141	\$ 2,147
Externally Restricted Funds	1,663	1,602
Internally Restricted Funds	120	117
	\$ 3,924	\$ 3,866

^(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)

	2005			2004
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board ^(c)				
Chair	\$ 1	\$ -	\$ 1	\$ 1
Other Members (9)	18	-	18	12
	\$ 19	\$ -	\$ 19	\$ 13

^(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, 2005

Note 11 Contractual Obligations (thousands of dollars)

	2005	2004
Grant Agreements	\$ 814	\$ 738
Long-term Leases	318	430
Service Contracts	294	52
	\$ 1,426	\$ 1,220

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

	Grant Agreements	Long-term Leases	Service Contracts	Total
2006	\$ 354	\$ 94	\$ 294	\$ 742
2007	250	84	-	334
2008	160	67	-	227
2009	50	65	-	115
2010	-	8	-	8
	\$ 814	\$ 318	\$ 294	\$ 1,426

Note 12 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, 2005
(thousands of dollars)

	2005		2004
	Budget	Actual	Actual
Grants	\$ 16,559	\$ 15,782	\$ 15,332
Supplies and Services	1,817	1,929	2,361
Supplies and Services from Support Service Arrangements with Related Parties ^(a)	1,720	1,762	1,639
Honoraria (Note 10)	11	19	13
Amortization of Tangible Capital Assets	6	6	6
	<u>\$ 20,113</u>	<u>\$ 19,498</u>	<u>\$ 19,351</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, 2005
(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	
	2005	2004	2005	2004
Revenues				
Internal Government Transfers				
Department of Community Development	\$ 17,670	\$ 17,670	\$ -	\$ -
Alberta Foundation for the Arts	125	106	-	-
	<u>\$ 17,795</u>	<u>\$ 17,776</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Other services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97</u>	<u>\$ 81</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ 106</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 35</u>	<u>\$ 40</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 and are disclosed in Schedule 3.

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 717	\$ 753
Legal Services	-	-	2	11
Other Services	200	267	-	-
	<u>\$ 200</u>	<u>\$ 267</u>	<u>\$ 719</u>	<u>\$ 764</u>

Alberta Sport, Recreation, Parks and Wildlife Foundation
Allocated Costs
For the year ended March 31, 2005
(thousands of dollars)

Program	Expenses – Incurred by Others					Total Expenses	Total Expenses
	Expenses ^(a)	Accommodation Costs ^(b)	Legal Services ^(c)	Other Services ^(d)	Total Expenses		
Provincial Programs	\$ 11,984	\$ 6	-	\$ 64	\$ 12,054	\$ 11,624	
Alberta and Interprovincial Games	2,790	67	-	72	2,929	3,196	
Municipal Recreation / Tourism Areas	1,494	1	-	10	1,505	1,504	
Active Lifestyles	1,501	1	-	8	1,510	1,461	
Provincial and Regional Development	634	-	-	2	636	703	
Percy Page Centre (Note 9)	402	638	-	8	1,048	1,148	
Parks and Wildlife Ventures	282	1	2	12	297	327	
Other Initiatives	85	-	-	2	87	96	
Administration	326	3	-	22	351	323	
	<u>\$ 19,498</u>	<u>\$ 717</u>	<u>\$ 2</u>	<u>\$ 200</u>	<u>\$ 20,417</u>	<u>\$ 20,382</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 Legal Services on Schedule 2, allocated by estimated costs incurred by each program.
(d) Costs shown for Other Services on Schedule 2, allocated by estimated costs incurred by each program.