



# THE HERITAGE PARK FOUNDATION ANNUAL REPORT 2021



# MESSAGE FROM THE CHAIR OF THE HERITAGE PARK FOUNDATION



**I'M VERY PLEASED TO REPORT** the state of The Heritage Park Foundation is strong. While the Park confronted numerous challenges in 2021, the Foundation emerged from the year in good condition, due to the continued support of many generous financial supporters and favourable conditions in the stock market. At the end of 2021, the value of The Heritage Park Foundation investment portfolio stood at \$10.5 million, representing a sixteen percent increase year over year.

In September, 2021 Park management made the difficult decision to cancel the Foundation's principal fundraising event. This new event, Carnivale, promised to be exciting and engaging, with even more opportunities for participation by a broader range of the community than our previous event. Staff and volunteers worked tirelessly to make it a success, but the deteriorating COVID-19 situation in the weeks leading up to the event led to its cancellation. Fortunately, many of those who purchased tickets donated part or all of their purchases to the Park to cover fixed costs and to support the Foundation. Many of our vendors were also able to provide refunds. The other bit of silver lining is that we learned a great deal about staging this event and look forward to an even better experience in 2022.

There were some very bright spots in 2021 as well. Thanks to planning led by our previous Board Chair, Lorne O'Reilly, this past year we transitioned to a new fund manager, Connor, Clark, & Lunn Private Capital Ltd. Foundation Board member and current Vice Chair Mike Martin led the board through the process of developing a request for proposals and the selection process. Ultimately, the board determined that CC&L is in a better position to provide the kind of growth the Heritage Park fund requires to meet new challenges.

In 2021, we successfully created an endowment for Innovation Crossing/Prospect Ridge, the revitalized and expanded portion of the Park dedicated to telling stories of the energy sector and the impact of the energy industry on Albertans. This endowment will ensure the continued development of the exhibits for years to come.

To Heritage Park's many donors, supporters, volunteers and staff members—thank you. I'd also like to extend my thanks to members of both the Foundation and Society boards not only for their support of the Park but also the collegial spirit that makes it a pleasure to serve.

A handwritten signature in black ink that reads "Joe Anderson". The signature is written in a cursive, flowing style.

Joe Anderson, PhD  
Chair  
THE HERITAGE PARK FOUNDATION

# **The Heritage Park Foundation**

Financial Statements  
**December 31, 2021**



## Independent auditor's report

To the Members of The Heritage Park Foundation

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Heritage Park Foundation (the Foundation) as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### What we have audited

The Foundation's financial statements comprise:

- the balance sheet as at December 31, 2021;
- the statement of revenue and expenses and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
May 5, 2022

# The Heritage Park Foundation

## Balance Sheet

As at December 31, 2021

				2021	2020
	Operating Fund \$	Capital and Preservation Fund \$	Sustainability Fund \$	Total \$	Total \$
<b>Assets</b>					
<b>Current assets</b>					
Cash	408,254	-	-	408,254	250,089
Accounts receivable	23,171	-	-	23,171	3,467
	431,425	-	-	431,425	253,556
<b>Long-term assets</b>					
Investments (note 4)	1,962,051	2,199,774	6,370,567	10,532,392	9,082,567
Collection assets	-	1,131,610	-	1,131,610	1,131,610
	2,393,476	3,331,384	6,370,567	12,095,427	10,467,733
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities (notes 6 and 8)	487,979	-	-	487,979	540,447
Due to/from other funds	1,329,844	(937,260)	(392,584)	-	-
	1,817,823	(937,260)	(392,584)	487,979	540,447
<b>Fund balances</b>					
Unrestricted	575,653	-	-	575,653	668,478
Internally restricted (note 5(a))		2,108,214	5,128,611	7,236,825	6,072,061
Externally restricted (notes 5(b) and 5(c))	-	1,028,820	143,533	1,172,353	764,130
Restricted for endowment purposes (note 5(d))	-	1,131,610	1,491,007	2,622,617	2,422,617
	575,653	4,268,644	6,763,151	11,607,448	9,927,286
	2,393,476	3,331,384	6,370,567	12,095,427	10,467,733

### Approved by the Board of Directors

Trustee

Trustee

The accompanying notes are an integral part of these financial statements.

# The Heritage Park Foundation

## Statement of Revenue and Expenses and Changes in Fund Balances

For the year ended December 31, 2021

				2021	2020
	Operating Fund \$	Capital and Preservation Fund \$	Sustainability Fund \$	Total \$	Total \$
<b>Revenue</b>					
Donations, grants, and sponsorships	267,213	-	205,000	472,213	567,750
Ticket sales and event revenue	28,382	-	-	28,382	45,675
Contribution from Heritage Park Society (note 6)	-	501,940	-	501,940	-
Investment gain (note 4)	1,289,555	-	-	1,289,555	611,093
	1,585,150	501,940	205,000	2,292,090	1,224,518
<b>Expenses</b>					
Fundraising events (notes 6 and 7)	51,311	-	-	51,311	20,416
Investment management fees	56,775	-	-	56,775	50,039
General and administrative (note 6)	187,178	-	23,020	210,198	216,130
	295,264	-	23,020	318,284	286,585
<b>Excess of revenue over expenses before contribution to Heritage Park Society</b>	1,289,886	501,940	181,980	1,973,806	937,933
<b>Contribution to Heritage Park Society (note 6)</b>	293,644	-	-	293,644	302,670
<b>Excess of revenue over expenses</b>	996,242	501,940	181,980	1,680,162	635,263
<b>Fund balances – Beginning of year</b>	668,478	3,389,430	5,869,378	9,927,286	9,292,023
Interfund transfer of Adoption program donations	(78,500)	78,500	-	-	-
Interfund transfer of investment income	(1,186,391)	386,867	799,524	-	-
Interfund transfer to fund Heritage Park Society Operating Grant	270,152	(88,093)	(182,059)	-	-
Interfund transfer of Heritage Club proceeds	(94,328)	-	94,328	-	-
<b>Fund balances – End of year</b>	575,653	4,268,644	6,763,151	11,607,448	9,927,286

The accompanying notes are an integral part of these financial statements.

# The Heritage Park Foundation

## Statement of Cash Flows

For the year ended December 31, 2021

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	2021 \$	2020 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	1,680,162	635,263
Items not affecting cash		
Realized gain on investments (note 4)	(2,154,743)	-
Net unrealized loss (gain) on investments (note 4)	904,917	(602,855)
	<hr/> 430,336	<hr/> 32,408
Net change in non-cash working capital items affecting operations	(72,171)	377,808
	<hr/> 358,165	<hr/> 410,216
<b>Investing activities</b>		
Purchase of units	(200,000)	(200,000)
Disposal of Beutel Goodman balanced funds (note 4)	(10,039,218)	-
Investment in Connor Clark & Lunn Balanced Growth Portfolio (note 4)	10,039,218	-
	<hr/> (200,000)	<hr/> (200,000)
<b>Increase in cash during the year</b>	158,165	210,216
<b>Cash – Beginning of year</b>	<hr/> 250,089	<hr/> 39,873
<b>Cash – End of year</b>	<hr/> <hr/> 408,254	<hr/> <hr/> 250,089

The accompanying notes are an integral part of these financial statements.

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2021

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### 1 Description of Foundation

The Heritage Park Foundation (the Foundation) was established by the Heritage Park Society (the Society) in 1976 under the Societies Act of Alberta with a mission to ensure and support the long-term success of Heritage Park. The Foundation, as a registered charity, is exempt from income tax and may issue receipts to donors for donations.

### 2 COVID-19

The Foundation has assessed the financial impact of COVID-19 as at December 31, 2021, including valuation of investments and impact on funding agreements and fundraising events. Management did not identify any significant impact to its financial statements at December 31, 2021.

The long-term impact of the pandemic on the Foundation and the economy is not yet known and information surrounding the global economic impact of COVID-19 and the estimated length of the pandemic continues to evolve. Future impacts of the pandemic may have a financial effect on the Foundation's future revenues and investment gains. It is not possible to estimate any results of future financial impacts of COVID-19 on the Foundation subsequent to December 31, 2021.

### 3 Significant accounting policies

#### Basis of accounting

The Foundation prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation maintains the following funds:

- i) The Operating Fund contains the assets, liabilities, revenues and expenses related to the Foundation's operating and administrative activities.
- ii) The Capital and Preservation Fund contains the assets (including gift-in-kind donations of collection assets), liabilities, revenues and expenses related to the contributions and fundraising events specifically targeted to benefit the Society's Capital and Preservation Fund.
- iii) The Sustainability Fund contains the assets and revenues related to 10-year gifts and monetary endowments.

Amounts due to/from funds are non-interest bearing and have no fixed terms of repayment.

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2021

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### Revenue recognition

Restricted contributions are recognized as revenue of the appropriate restricted fund or, if no appropriate restricted fund exists, they are recognized as revenue in the Operating Fund as the related expenditures are incurred. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as revenue in the Sustainability Fund or Capital and Preservation Fund when received. Unrestricted investment income is recognized as revenue in the Operating Fund.

### Collection assets

Donated collection assets held for exhibit are recorded in the Capital and Preservation Fund at their estimated fair value at the date of contribution. No amortization is charged on these assets. The Foundation cannot monetize collection assets to meet financial obligations.

### Investments

Investments are carried at fair value with unrealized gains or losses recognized directly in the statement of revenue and expenses and changes in fund balances.

### Gifts in kind

Gifts in kind include donated goods and services and donated investments.

Donated goods and services are recorded as both revenues and expenses when the fair market value is reasonably determinable and when they would normally be purchased and paid for by the Foundation, if not donated. During 2021, \$3,423 (2020 – \$nil) of donated goods and services was recorded in the financial statements.

The Foundation maintains records of volunteer hours for statistical reporting purposes. Services donated to the Foundation through volunteer work are not reflected in the financial statements since objective measurement or valuation is indeterminable.

During the year, the Foundation received \$1,012 (2020 – \$1,031) of donated investments, which were immediately liquidated for cash proceeds and recorded in the financial statements.

### Financial instruments

The Foundation initially measures financial assets and liabilities at their fair value. It subsequently measures its financial assets and liabilities at amortized cost, other than investments, which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and accounts receivable. The financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2021

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It is management's opinion that the Foundation's exposure to risk on its financial instruments did not change from the prior period and is as follows:

a) Credit risk

The Foundation's credit risk exposure relates primarily to its cash and accounts receivable. Cash balances are denominated in local currency and held with reputable Canadian financial institutions and accounts receivable are not concentrated with any one party and management considers them fully collectible. Management does not consider the Foundation to be exposed to significant credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulties in meeting its financial obligations. The Foundation manages its liquidity risk through cash and investment management. Management does not consider the Foundation to be exposed to significant liquidity risk.

c) Interest rate, currency and other price risk

Investments are limited to a balanced mutual fund held with a reputable Canadian financial institution. Cash balances and accounts receivable are denominated in local currency. Management does not consider the Foundation to be significantly exposed to significant interest rate, currency or other price risk.

### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

## 4 Investments

As at December 31, 2021, the Foundation's investments are managed on a pooled basis under contract with Connor, Clark & Lunn Private Capital. In 2020, the Foundation's investments were managed by Beutel Goodman.

The Foundation's investments are carried at fair value and are subject to normal market fluctuations. The Foundation's investments currently consist of the Balanced Growth Portfolio with Connor, Clark & Lunn Private Capital.

Investments are as follows:

	2021 \$	2020 \$
Balanced Growth Portfolio	10,532,392	9,082,567

Included in investment income is \$58,102 of interest income (2020 – \$60,487).

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2021

### 5 Restrictions on fund balances

a) Internally restricted funds include:

			2021	2020
	Capital and Preservation Fund \$	Sustainability Fund \$	Total \$	Total \$
Midway	391,300	-	391,300	391,300
Adoption program	891,059	-	891,059	812,559
Other	-	668,186	668,186	573,858
Accumulated net income and expired 10-year gifts	825,855	4,361,709	5,187,564	4,187,569
10-year gifts expired in the current year	-	98,716	98,716	106,775
	<u>2,108,214</u>	<u>5,128,611</u>	<u>7,236,825</u>	<u>6,072,061</u>

b) As at December 31, 2021, \$143,533 (2020 – \$237,250) of the Foundation's fund balances have been restricted by third parties to be held as cash or investments for 10 years from the date of donation. These fund balances, valued at their original donated amount, become available for use by the Foundation as follows:

	\$
2022	107,710
2023	<u>35,823</u>
	<u>143,533</u>

c) In addition to the above, the following externally restricted fund balances are restricted to benefit the Capital and Preservation Fund of the Society:

	2021 \$	2020 \$
Famous 5 Centre of Canadian Women	250,000	250,000
Innovation Crossing and Prospect Ridge	501,940	-
Other	276,880	276,880
	<u>1,028,820</u>	<u>526,880</u>

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2021

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- d) Funds restricted for endowment purposes are subject to externally imposed restrictions that the funds be maintained in perpetuity. The related investment income is to be used to fund ongoing operation and maintenance and is recorded in the Operating Fund.

	2021	2020
	\$	\$
Gunn's Dairy Barn	550,000	550,000
Legacy	85,595	85,595
Little Synagogue	255,412	255,412
Switzer's Grocery and Confectionery	600,000	400,000
Gasoline Alley Collection Assets	1,131,610	1,131,610
	<hr/>	<hr/>
	2,622,617	2,422,617
	<hr/>	<hr/>

## 6 Related party transactions

The Foundation, whose purpose is to carry out fundraising and investment activities for the benefit of the Society, receives management and administrative services from the Society, a related not-for-profit organization that has a separate Board of Directors. The Society provides the services to the Foundation for an administration fee of \$177,076 (2020 – \$188,400) equal to 58% (2020 – 46%) of the salaries incurred in the Society's fundraising department and is recorded in general and administrative expenses. In addition, the Society provided catering and other services to the Foundation for fundraising events totalling \$7,651 (2020 – \$8,272), which are included in fundraising expenses.

During the year, the Foundation made a contribution of \$293,644 (2020 – \$302,670) to the Society. The minimum contribution to be disbursed is \$303,840 (2020 – \$271,664) and is determined based on the requirements of Canada Revenue Agency for charitable disbursements by public foundations.

During the year, the Foundation received a contribution of \$501,940 (2020 – \$nil) from the Society to support the ongoing operation and maintenance costs of the Natural Resources Area (Innovation Crossing and Prospect Ridge).

Accounts payable and accrued liabilities include \$435,013 (2020 – \$491,350) due to the Society. This balance is non-interest bearing and unsecured and has no fixed terms of repayment.

## 7 Fundraising expenses

As required under Section 7(2) of the Charitable Fundraising Regulation in Alberta, the following amounts are disclosed:

	\$
Administration fee paid to a related party for fundraising services	177,076
Direct expenses incurred for the purpose of soliciting contributions including fundraising revenues and donations	72,452

# **The Heritage Park Foundation**

Notes to Financial Statements

December 31, 2021

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## **8 Government remittances**

Accounts payable and accrued liabilities includes government remittances payable of \$nil (2020 – \$nil).

# THE HERITAGE PARK FOUNDATION

## MISSION STATEMENT

Ensure and support the long-term success of Heritage Park.

Through a dedicated Board of Trustees, the Foundation maintains and encourages the growth of a substantial base of funds in support of the ongoing purposes of the Park.

### BOARD OF TRUSTEES

Joseph Anderson, Chair  
Michael Martin, Vice-Chair  
Malinda Kellett,  
Secretary/Treasurer  
Joy Romero  
Lori Scotvold

### PAST CHAIRS

Brenda Barootes [d. Mar. 22]  
Wm. P. Davis [d. Nov. 22]  
Joe Doolan  
Brian Gallen  
Stewart Gossen  
John Houghton  
Alan Moon  
Lorne O'Reilly  
John Smeeton  
Duane E. Wikant

### ACTIVE MEMBERS

Joe Anderson  
Phil Barnett

Karen Brookman  
Jim Brown  
Victoria Calvert  
Gordon Case  
Wayne Chodzicki, FCA  
Dinesh Dattani  
Wayne Dwyer  
Sheila Gurevitch  
John Iredale  
Cheryl James  
Gary Jennings  
Malinda Kellett  
Margriet Kiel  
Brittney LaBranche  
Joe Lougheed  
John MacAulay  
Allison Maher  
Michael Martin  
Gail McDougall  
Linda McNally  
Lorne O'Reilly  
Joy Romero  
Kim Sarjeant

Lori Scotvold  
Roger Straathof  
Walter Wakula  
Scott Weiler  
Bennett Wong

### LIFE MEMBERS

Mary Barr  
Fred Callaway  
Norma Carroll  
James Conklin  
Joe Doolan  
Terry Gale  
Dan Gallagher  
Brian Gallen  
Stewart Gossen  
Dick Haskayne  
John Houghton  
Alan Moon  
Darlene Switzer-Foster  
Duane Wikant

In their memory we honour the Patrons, Life, Active and Committee members, volunteers and staff who are no longer with us, and whose contributions helped lay the foundation on which we continue to build.

*With deepest respect, we remember.*



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THE HERITAGE PARK FOUNDATION CHARITABLE REGISTRATION #11923 7501 RR001