



## HERITAGE PARK FOUNDATION ANNUAL REPORT 2022





# MESSAGE FROM THE HERITAGE PARK FOUNDATION CHAIR



**ON BEHALF OF THE BOARD**, I extend our sincere gratitude for your support and sponsorship.

I'm proud to report the state of the Heritage Park Foundation remains strong, despite broader economic challenges and economic volatility. With the support of many generous financial supporters, we were able to increase the cash position in Heritage Park Foundation to \$778,319 in 2022 to support Park operations. The investment portfolio of \$9,428,234 is managed by Connor, Clark & Lunn Financial Group, the largest independent money manager in Canada. CC&L manages the Foundation's investment portfolio utilizing proprietary pooled funds to hold individual securities. As many of you know, 2022 was a challenging year for returns in both stocks and bonds and the Foundation portfolio saw a ten percent decrease in value. To date, 2023 has seen a significant rebound in both stock prices and bond returns. CC&L remains vigilant in managing the portfolio to achieve our goals.

Heritage Park fundraising efforts continue to be a source of strength. On top of our regular events, the addition of the night show Carnivàle offered something different in 2022. This coming year, we plan to build on the success of that initial offering to involve more people and generate increased income.

As a volunteer, I have been proud to serve in various capacities on the Heritage Park Board of Trustees. I've witnessed the exceptional dedication and resilience of management, staff, and volunteers who collectively ensure the success of the Foundation and safeguard its legacy. We are fortunate to have a loyal group of donors, sponsors, and event attendees, many of whom have championed this organization for decades. We will continue to strengthen our efforts on the fundraising front, so that we may improve our ability to bring more stories to the Park that reflect this remarkable community and its history.

Thank you for your continued support and we look forward to seeing you at our 2023 events.

A handwritten signature in dark ink that reads "Joe Anderson". The signature is fluid and cursive.

Joe Anderson  
Chair  
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.**

# **The Heritage Park Foundation**

Financial Statements  
**December 31, 2022**



## 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, 2022 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, 2022;
- 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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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.





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

April 5, 2023

# The Heritage Park Foundation

## Balance Sheet

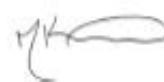
As at December 31, 2022

	2022			2021	
	Operating Fund \$	Capital and Preservation Fund \$	Sustainability Fund \$	Total \$	Total \$
<b>Assets</b>					
<b>Current assets</b>					
Cash	778,319	-	-	778,319	408,254
Accounts receivable	11,530	-	-	11,530	23,171
	789,849	-	-	789,849	431,425
<b>Long-term assets</b>					
Investments (note 3)	1,760,768	1,919,571	5,747,895	9,428,234	10,532,392
Collection assets	-	1,131,610	-	1,131,610	1,131,610
	2,550,617	3,051,181	5,747,895	11,349,693	12,095,427
<b>Liabilities</b>					
<b>Current liabilities</b>					
Accounts payable and accrued liabilities (notes 5 and 7)	75,281	-	-	75,281	487,979
Due to (from) other funds	1,198,393	(870,760)	(327,633)	-	-
	1,273,674	(870,760)	(327,633)	75,281	487,979
<b>Fund balances</b>					
Unrestricted	1,276,943	-	-	1,276,943	575,653
Internally restricted (note 4(a))	-	1,761,511	4,342,198	6,103,709	7,236,825
Externally restricted (notes 4(b) and 4(c))	-	1,028,820	42,323	1,071,143	1,172,353
Restricted for endowment purposes (note 4(d))	-	1,131,610	1,691,007	2,822,617	2,622,617
	1,276,943	3,921,941	6,075,528	11,274,412	11,607,448
	2,550,617	3,051,181	5,747,895	11,349,693	12,095,427

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, 2022

	2022			2021	
	Operating Fund \$	Capital and Preservation Fund \$	Sustainability Fund \$	Total \$	Total \$
<b>Revenue</b>					
Donations, grants, and sponsorships	1,183,814	-	206,500	1,390,314	472,213
Ticket sales and event revenue	192,056	-	-	192,056	28,382
Contribution from Heritage Park Society (note 5)	-	-	-	-	501,940
Investment (loss) gain (note 3)	(1,037,788)	-	-	(1,037,788)	1,289,555
	338,082	-	206,500	544,582	2,292,090
<b>Expenses</b>					
Fundraising events (notes 5 and 6)	136,822	-	-	136,822	51,311
Investment management fees	58,119	-	-	58,119	56,775
General and administrative (note 7)	164,347	-	18,330	182,677	210,198
	359,288	-	18,330	377,618	318,284
<b>(Deficiency) excess of revenue over expenses before contribution to Heritage Park Society</b>	(21,206)	-	188,170	166,964	1,973,806
<b>Contribution to Heritage Park Society (note 5)</b>	500,000	-	-	500,000	293,644
<b>(Deficiency) excess of revenue over expenses</b>	(521,206)	-	188,170	(333,036)	1,680,162
<b>Fund balances – Beginning of year</b>	575,653	4,268,644	6,763,151	11,607,448	9,927,286
Interfund transfer of Adoption program donations	(68,500)	68,500	-	-	-
Interfund transfer of investment income	902,876	(280,203)	(622,673)	-	-
Interfund transfer to fund Heritage Park Society Operating Grant	435,000	(135,000)	(300,000)	-	-
Interfund transfer of Heritage Club proceeds	(46,880)	-	46,880	-	-
<b>Fund balances – End of year</b>	1,276,943	3,921,941	6,075,528	11,274,412	11,607,448

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, 2022

	2022 \$	2021 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Loss) excess of revenue over expenses	(333,036)	1,680,162
Items not affecting cash		
Realized loss (gains) on investments (note 3)	47,444	(2,154,743)
Net unrealized loss on investments (note 3)	996,003	904,917
	710,411	430,336
Net change in non-cash working capital items affecting operations	(401,057)	(72,171)
	309,354	358,165
<b>Investing activities</b>		
Purchase of units	(891,242)	(200,000)
Sale of units	951,953	-
Disposal of Beutel Goodman balanced funds (note 3)	-	(10,039,218)
Investment in Connor Clark & Lunn Balanced Growth Portfolio (note 3)	-	10,039,218
	60,711	(200,000)
<b>Increase in cash during the year</b>	370,065	158,165
<b>Cash – Beginning of year</b>	408,254	250,089
<b>Cash – End of year</b>	778,319	408,254

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

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2022

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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 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.

#### 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.

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2022

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### 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 2022, \$nil (2021 – \$3,423) 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 \$nil (2021 – \$1,012) 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.

Financial assets originated or acquired, and financial liabilities issued or assumed in a related party transaction are initially measured at cost. For financial instruments with repayment terms, cost is determined as the sum of undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. For financial instruments with no repayment terms, cost is determined by reference to the consideration transferred or received by the Foundation in the transaction. All other financial instruments resulting from related party transactions are subsequently measured at cost less any reduction for impairment.

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.



# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2022

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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.

## 3 Investments

As at December 31, 2022, the Foundation's investments are managed on a pooled basis under contract with Connor, Clark & Lunn Private Capital.

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:

	2022 \$	2021 \$
Balanced Growth Portfolio	9,428,234	10,532,392

Included in investment (loss) gain is approximately \$113,729 of interest income (2021 – \$58,102).

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2022

### 4 Restrictions on fund balances

- a) Internally restricted funds include:

	<b>2022</b>		<b>2021</b>
	<b>Capital and Preservation Fund \$</b>	<b>Sustainability Fund \$</b>	<b>Total \$</b>
Midway	391,300	-	391,300
Adoption program	959,559	-	959,559
Other	-	715,066	715,066
Accumulated net income and expired 10-year gifts	410,652	3,519,422	3,930,074
10-year gifts expired in the current year	-	107,710	107,710
	<b>1,761,511</b>	<b>4,342,198</b>	<b>6,103,709</b>
			<b>7,236,825</b>

- b) As at December 31, 2022, \$42,323 (2021 – \$143,533) of the Foundation's fund balances have been restricted by third parties to the sustainability fund to be held as cash or investments. The 10-year gift fund balances, valued at their original donated amount, become available for use by the Foundation as follows:

	<b>\$</b>
2023	<b>35,823</b>

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

	<b>2022 \$</b>	<b>2021 \$</b>
Famous 5 Centre of Canadian Women	250,000	250,000
Innovation Crossing and Prospect Ridge	501,940	501,940
Other	276,880	276,880
	<b>1,028,820</b>	<b>1,028,820</b>

- 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.

# The Heritage Park Foundation

## Notes to Financial Statements

December 31, 2022

	2022 \$	2021 \$
Gunn's Dairy Barn	550,000	550,000
Legacy	85,595	85,595
Little Synagogue	255,412	255,412
Switzer's Grocery and Confectionery	800,000	600,000
Gasoline Alley Collection Assets	1,131,610	1,131,610
	<u>2,822,617</u>	<u>2,622,617</u>

### 5 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 \$140,999 (2021 – \$177,076) equal to 35% (2021 – 58%) 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 \$48,325 (2021 – \$7,651).

During the year, the Foundation made a contribution of \$500,000 (2021 – \$293,644) to the Society. The minimum contribution to be disbursed is \$343,262 (2021 – \$303,840) 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 \$nil (2021 – \$501,940) 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 \$29,936 (2021 – \$435,013) due to the Society. This balance is non-interest bearing and unsecured and has no fixed terms of repayment.

### 6 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	140,999
Direct expenses incurred for the purpose of soliciting contributions including fundraising revenues and donations	165,812

### 7 Government remittances

Accounts payable and accrued liabilities includes government remittances payable of \$nil (2021 – \$nil).





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THE HERITAGE PARK FOUNDATION CHARITABLE REGISTRATION #11923 7501 RR0001