



HERITAGE PARK SOCIETY ANNUAL REPORT 2022



MESSAGE FROM THE PRESIDENT AND CEO



IN 2022, AS THE WORLD slowly emerged from Covid-19 disruptions, Heritage Park once again took great pride in serving as a vital gathering place for our community. We hosted 500,000 guests from around the world reinforcing our position as one of Alberta's most beloved destinations for schools, families, tourists, and business and social events.

You may recall the year began with much uncertainty. We made the pandemic-related decision to close Gasoline Alley Museum until May, which impacted member and school visits as well as tour groups. We made the commitment to be fully open for the summer, and so were very pleased to see a healthy rebound in the final eight months, boosted by exceptional Village attendance, the return of school visits, solid attendance for our major events, and a busy season of private holiday events.

The year's strong finish gave us optimism as we planned for 2023. Like everyone, we hope Covid-19 stays firmly in the rearview mirror.

Among the many operational highlights in 2022:

- We had our second-best tourism year, just behind 2017 (Canada's 150th anniversary). A remarkable 42% of Historical Village guests came from outside the Calgary Market Area. The fact that 11% were other Canadians and 14% were International reveals the importance of Heritage Park as a showcase of the Prairies for Canada and the world.
- Heritage Park is home to Canada's largest collection of historical buildings (183), along with 55,000 historic artifacts and 17,000 historically authentic costumes. In 2022, with major support from the City of Calgary, we invested almost \$4 million in improvements, lifecycle maintenance and preservation of our remarkable historical assets.
- The beautiful new Innovation Crossing building opened to the public with programming telling the history of energy to explain how our past use of resources connects to our world today and to our choices for tomorrow.
- One of the stars of the 2022 Village season was the new Vintage Veterinary Clinic exhibit that features a working office of a turn-of-the-century veterinarian in Western Canada; this totally new attraction attracted some of the strongest satisfaction ratings of all our exhibits.
- In September, we unveiled the inaugural Carnivàle as a special evening experience and fundraising event. With the help of our friends at Le Cirque de la Nuit, the night treated 1,100 guests to a spectacle of light, amusement and excitement — and raised \$60,000!
- In late spring, we introduced a new retail concept called "Forged Alberta" which devotes a large section of the Haskayne Mercantile Block to showcase locally-made products. "Forged Alberta" invites shoppers to discover and support unique Alberta businesses, while providing local artisans a chance to connect with their community.
- With our return to full programming, it was gratifying to see a dramatic rise in guest satisfaction, which we now track for the Village, museum and all events. Scores jumped significantly year-over-year, with 80% of visitors rating the overall experience as 9 or 10 out of 10.

MESSAGE FROM THE PRESIDENT AND CEO

- Heritage Park is committed to supporting Truth and Reconciliation with Canada's Indigenous Peoples. In 2022, we hired our first Indigenous Engagement Advisor to guide our ongoing Indigenous relations, summer programs and special initiatives. On National Indigenous Peoples Day in June, we hosted two presentations of the musical *New Blood*, which told the powerful and moving story of residential schools. And to build our organizational cultural awareness, we closed our full operation on the morning of September 30, Truth and Reconciliation Day, to gather our staff for a special event with Indigenous elders, speakers and performers who shared their cultural knowledge and experiences.
- Heritage Park is also taking important steps to enhance accessibility for people of all abilities. Last year we began building a wheelchair accessible train car. Thanks to support from the Government of Canada, along with corporate and private donations, in 2023, guests in wheelchairs can finally participate in the #1 favourite activity at Heritage Park — riding the steam train.

All these highlights — and many, many more — were possible in 2022 thanks to the talents and dedication of our incredible volunteers and employees, and thanks to the contributions from our many donors, corporate supporters and community ambassadors. Thank you. It is your passion that makes the magic of Heritage Park possible.

Since 1964, our charitable, not-for-profit organization has been deeply embedded in the lives and memories of southern Albertans, and with the ongoing support of our community, I am confident Heritage Park will continue to thrive and grow.



Lindsey Galloway
President and CEO
HERITAGE PARK

MISSION STATEMENT

**Connecting people with the Settlement of Western Canada
and Preserving our Culture and Heritage.**

VISION

To be recognized as Canada's leading living history museum.

Western Canada is defined as the geographic area bordered by the Manitoba/Ontario border on the East, the interior of British Columbia on the West, the tree line in the North and the Canada/U.S.A. border in the South.

MESSAGE FROM HERITAGE PARK SOCIETY CHAIR



THE 58TH YEAR OF HERITAGE PARK was my first as Chair of the Board of the Heritage Park Society, and it was a year that reminded us all of the importance of this iconic community organization.

As the year unfolded, the significant distractions of Covid-19 began to subside and life began to “normalize”. For most Calgarians, getting back to normal meant visiting Heritage Park, and I am proud to say in 2022 we stepped up to deliver another wonderful season of fun and education.

We were exceptionally pleased that almost 500,000 visitors spent time at our Park, enjoying the great variety of year-round activities and services. It was particularly wonderful to see the excitement of 41,000 school-aged children who participated in school programs and summer camps in this unique educational setting. It also felt great to see the mask-less smiles of 60,000 guests who attend hundreds of private business and social events. We enjoyed a successful Historical Village summer season and sustained that momentum into the fall with our marque events, Carnivàle, Ghouls’ Night Out and Once Upon A Christmas.

We are proud that our community chooses Heritage Park as one of their go-to places to make memories with their families, friends and out-of-town guests. In fact, two-thirds of our visitors agree strongly that our cultural organization contributes to the wellbeing of Calgary.

As a Heritage Park volunteer myself, I want to give a special Thank You to the 833 community members of all ages who served as volunteers in 2022. They contributed more than 48,000 hours to making the magic of Heritage Park possible. On behalf of the 30 community leaders who serve on our Board of Trustees and on our various Board subcommittees, I thank all our amazing volunteers and dedicated employees for their commitment.

We are excited to see what comes next — not just with our 60th anniversary celebrations, but in the next decade. The leadership team at the Park is finishing a long-term plan that will enable renewal and growth. These plans will build on the legacy of decades of visionary leadership and unwavering community support that has created one of Canada’s most beloved cultural destinations.

On behalf of the Board, I want to thank the many donors, employees, volunteers and supporters of this amazing institution. We look forward to engaging our visitors and serving our community in 2023 and for many decades to come.

A handwritten signature in black ink, appearing to read 'L. O'Reilly'.

Lorne O'Reilly
Chair
HERITAGE PARK SOCIETY

Heritage Park Society

Financial Statements
December 31, 2022



Independent auditor's report

To the Members of Heritage Park Society

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Heritage Park Society (the Society) 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 Society'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.

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 Society 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.

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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 Society'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 Society'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 Society 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

Heritage Park Society

Balance Sheet

As at December 31, 2022

	2022		2021	
	Operating Fund \$	Capital and Preservation Fund \$	Total \$	Total \$
Assets				
Current assets				
Cash	4,543,493	-	4,543,493	6,754,928
Short-term investments	1,004,452	-	1,004,452	1,000,712
Accounts receivable (notes 7 and 12)	1,401,024	1,809,985	3,211,009	1,930,134
Prepaid expenses	135,735	10,357	146,092	166,827
Inventory	668,019	-	668,019	515,000
	7,752,723	1,820,342	9,573,065	10,367,601
Accounts receivable (note 12)	-	-	-	83,021
Collection assets (note 3)	-	30,330,223	30,330,223	30,028,426
Capital assets (note 4)	-	41,696,452	41,696,452	41,571,817
	7,752,723	73,847,017	81,599,740	82,050,865
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 11)	2,083,726	391,968	2,475,694	1,623,199
Due to/from other funds	80,542	(80,542)	-	-
Deferred revenue	643,887	-	643,887	576,771
Deposits on account	225,092	-	225,092	290,592
	3,033,247	311,426	3,344,673	2,490,562
Deferred contributions (note 5)	2,069,977	-	2,069,977	2,535,835
	5,103,224	311,426	5,414,650	5,026,397
Fund Balances				
Unrestricted	2,649,499	-	2,649,499	2,423,460
Internally restricted (note 6(a))	-	340,706	340,706	2,187,570
Externally restricted (note 6(b))	-	1,789,086	1,789,086	1,435,338
Internally restricted – net investment in collection assets	-	30,330,223	30,330,223	30,028,426
Internally restricted – net investment in capital assets	-	41,075,576	41,075,576	40,949,674
	2,649,499	73,535,591	76,185,090	77,024,468
	7,752,723	73,847,017	81,599,740	82,050,865

Approved by the Board of Directors



Trustee



Trustee

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

Heritage Park Society

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 \$	Total \$	Total \$
Revenue				
Food services (note 7)	6,440,786	-	6,440,786	3,006,920
Admissions	5,285,248	-	5,285,248	3,169,279
Grants (note 9)	6,003,206	4,085,765	10,088,971	11,497,658
Retail	1,341,067	-	1,341,067	990,494
Donations and sponsorships	1,461,853	456,407	1,918,260	2,247,844
Other revenue	1,139,615	37,057	1,176,672	724,507
Heritage Park Foundation contribution (note 7)	500,000	-	500,000	293,644
Interest	147,013	-	147,013	55,957
(Loss) gain on disposal of capital assets	-	(1,167)	(1,167)	24,582
	22,318,788	4,578,062	26,896,850	22,010,885
Expenses				
Operating and maintenance (note 3)	11,860,545	1,502,928	13,363,473	10,010,530
Selling, general and administrative (note 7)	7,424,437	771,464	8,195,901	5,137,301
Product costs – food	2,032,256	-	2,032,256	1,079,520
Product costs – retail	775,511	-	775,511	559,453
Amortization	-	3,305,314	3,305,314	3,573,194
Reduction in collection assets	-	63,773	63,773	287,369
Contribution to Heritage Park Foundation (note 7)	-	-	-	501,941
	22,092,749	5,643,479	27,736,228	21,149,308
Excess (deficiency) of revenue over expenses	226,039	(1,065,417)	(839,378)	861,577
Fund balances – Beginning of year	2,423,460	74,601,008	77,024,468	76,162,891
Fund balances – End of year	2,649,499	73,535,591	76,185,090	77,024,468

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

Heritage Park Society

Statement of Cash Flows

For the year ended December 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses of the Operating Fund	226,039	1,443,037
Revenue of the Capital and Preservation Fund related to operating and maintenance	1,502,928	586,799
Expenses of the Capital and Preservation Fund related to operating and maintenance	(1,502,928)	(586,799)
	226,039	1,443,037
Change in non-cash working capital items	211,532	1,273,957
	437,571	2,716,994
Investing activities		
Additions to collection assets	(346,892)	(922,342)
Additions to capital assets	(3,431,218)	(2,876,388)
Net (increase) decrease in short-term investments	(3,740)	258
Proceeds on disposal of capital assets	100	47,822
Contributions to Heritage Park Foundation (note 7)	-	(501,941)
Change in non-cash working capital items related to investing activities	242,314	(692,251)
	(3,539,436)	(4,944,842)
Financing activities		
Revenue of the Capital and Preservation Fund restricted for capital asset additions	3,057,624	4,185,213
Fundraising expenses for capital activities	(771,464)	(444,742)
Change in non-cash working capital items related to financing activities	(1,395,730)	655,751
	890,430	4,396,222
(Decrease) increase in cash during the year	(2,211,435)	2,168,374
Cash – Beginning of year	6,754,928	4,586,554
Cash – End of year	4,543,493	6,754,928
Supplemental information		
Interest received	147,013	55,957

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

Heritage Park Society

Notes to Financial Statements

December 31, 2022

1 Basis of operations

Heritage Park Society (the Society) operates the Heritage Park Historical Village (the Park) and has a mission to connect people with the settlement of Western Canada by preserving and sharing Western Canadian heritage. The Society was incorporated in 1963 under the Societies Act of Alberta and has operated under a multi-year lease agreement with the City of Calgary (the City) since 1964. Provisions under the agreement include an annual operating grant, the amount of which is set by the City. The agreement was in effect through to July 31, 2022; the City has provided an overhold letter to extend the agreement indefinitely that may be terminated by either party with 30 days' notice.

Under the terms of the agreement with the City, the Society is to maintain and improve the land on which the Park is located. The Society does not pay taxes for use of the land. The agreement also stipulates that title to all lands and improvements is vested with the City. The Society may encumber its capital and collection assets within the guidelines of the Society bylaws, and the land with the approval of the City.

The Society, as a registered charity, is exempt from income taxes and may issue tax receipts to donors for qualified donations.

2 Summary of significant accounting policies

Basis of accounting

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

Fund accounting

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

- i) the Operating Fund contains the assets, liabilities, revenue and expenses related to the Park's operating activities; and
- ii) the Capital and Preservation Fund contains the assets, liabilities, revenue and expenses related to the Society's collection and capital assets.

Amounts due to (from) funds are non-interest bearing, unsecured 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. Restricted investment income is recognized as revenue in the fund in which it is earned. Unrestricted investment income is recognized as revenue in the Operating Fund.

Heritage Park Society

Notes to Financial Statements

December 31, 2022

The Society may receive government subsidies that provide immediate financial assistance as compensation for costs or expenditures to be incurred. The Society recognizes government subsidies as revenue when received or receivable and when there is reasonable assurance that conditions attached to the subsidies are met.

Food services, admissions, retail and other revenue are recognized when services are provided or goods sold and collection is reasonably assured.

Capital assets

Purchased and donated capital assets are recorded in the Capital and Preservation Fund at cost or at their estimated fair value at the date of contribution for donated capital assets. The cost of capital assets is made up of significant separable component parts is allocated to the component parts when practicable and when estimates can be made of the estimated useful lives of the separate components. Amortization is computed using the declining balance method as follows:

Infrastructure	5 – 15%
Buildings and components	5 – 20%
Equipment and furnishings	20 – 45%
Computer hardware and software	45%
Construction-in-progress	nil%

Amortization expense is reported in the Capital and Preservation Fund.

- Impairment of long-lived assets

Capital assets are tested for impairment when conditions indicate that a tangible capital asset no longer has any long-term service potential to the Society. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. Writedowns are not subsequently reversed.

Collection assets

Collection assets held for exhibit are recorded in the Capital and Preservation Fund at cost, if purchased or at their estimated fair value at the date of contribution for donated collection assets. No amortization is charged on these assets. Collection assets are disposed of in accordance with the Society's deaccessioning policy. Proceeds from the sale of any items in the collection are recorded in the Capital and Preservation Fund and earmarked for the care of the collection. The Society cannot monetize collection assets to meet financial obligations.

Capitalized labour

Labour costs associated with the construction of collection and capital assets are capitalized.

Heritage Park Society

Notes to Financial Statements

December 31, 2022

Investments

Short-term investments, comprised entirely of guaranteed investment certificates (GICs) having a maturity greater than 30 days but less than one year from the date of purchase, are carried at market value with realized and unrealized gains or losses recognized directly in the statement of revenue and expenses and changes in fund balances.

Inventory

Inventory comprised primarily of food and supplies is valued at average cost. Inventory comprised of goods purchased and held for resale is valued at the lower of average cost and net realizable value.

Pension plan

The Society maintains a voluntary defined contribution pension plan for its full-time and part-time continuous employees. The Society matches employees' contributions up to a maximum 5% of their gross salary.

The 2022 pension cost of \$251,108 (2021 – \$233,875) was expensed in operating and maintenance and selling, general and administrative expenses in the statement of revenue and expenses and changes in fund balances of the Operating Fund during the year.

Gifts in-kind

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

Donated goods and services are recorded as revenue and expenses when the fair market value is reasonably determinable and when they would normally be purchased and paid for by the Society, if not donated. During 2022, \$18,678 (2021 – \$24,726) of donated goods and services was recorded in the financial statements.

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

During the year, the Society received \$71,409 (2021 – \$320,218) of donated investments, which were immediately liquidated for cash proceeds and recorded in the financial statements.

Financial instruments

The Society initially measures financial assets and liabilities at their fair value. It subsequently measures its financial assets and liabilities at amortized cost, other than short-term investments and long-term receivables, which are reported at fair value. The financial assets subsequently measured at amortized cost include cash and short-term accounts receivable. The financial liabilities subsequently measured at amortized cost include the line of credit deposits on account and accounts payable and accrued liabilities.

Heritage Park Society

Notes to Financial Statements

December 31, 2022

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 Society 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 Society's exposure to risk on its financial instruments did not change from the prior period and is as follows.

- Credit risk

The Society'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 Society to be exposed to significant credit risk.

- Liquidity risk

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

- Interest rate, currency and other price risk

Short-term investments are limited to GICs held with a reputable Canadian financial institution. Cash balances, short-term investments and accounts receivable are denominated in local currency. Management does not consider the Society to be exposed to significant interest rate, currency and 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.

Heritage Park Society

Notes to Financial Statements

December 31, 2022

3 Collection assets

The Society owns a collection of historical buildings, rolling stock, furnishings and equipment that are held for public exhibition and education. These assets are protected, cared for and preserved on an ongoing basis. The change in collection assets during 2022 was as follows:

	2021 \$	Additions \$	Reductions \$	2022 \$
Food and retail buildings	5,906,225	26,098	7,236	5,925,087
Exhibit buildings	7,863,818	19,558	5,867	7,877,509
Railway and streetcars	4,530,499	208,810	6,726	4,732,583
Midway assets	2,089,346	29,295	4,887	2,113,754
Other period structures	2,003,062	60,851	38,055	2,025,858
Artifacts	5,886,955	20,957	1,001	5,906,911
Marine	991,420	-	-	991,420
Period buses	364,090	-	-	364,090
Buggies and wagons	224,926	-	-	224,926
Period vehicles	168,085	-	-	168,085
	30,028,426	365,569	63,772	30,330,223

During 2022, collection assets were donated to the Society in the amount of \$17,622 (2021 – \$15,916).

Reductions of collection assets reflect the book value of collection assets that were reconstructed, replaced or disposed during the year. Proceeds arising from disposals of collection assets in the year were \$nil (2021 – \$nil). The Society uses the proceeds for the direct care and maintenance of the collection assets.

During 2022, \$328,917 (2021 – \$196,029) of maintenance expenses related to the collection assets were incurred and are included in operating and maintenance expenses.

Included in additions are assets under construction of \$201,391 (2021 – \$nil), which includes construction costs related to accessible railcar of \$186,391 and the remaining attributed to mainly food and retail buildings and midway assets

4 Capital assets

	2022		2021	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Infrastructure	33,357,941	20,343,681	13,014,260	13,770,197
Service buildings, components and improvements	51,429,294	26,601,034	24,828,260	26,372,970
Equipment and furnishings	8,368,043	7,576,185	791,858	963,703
Computer hardware and software	5,023,905	4,570,512	453,393	464,947
Construction-in-progress	2,608,681	-	2,608,681	-
	100,787,864	59,091,412	41,696,452	41,571,817

Heritage Park Society

Notes to Financial Statements

December 31, 2022

Assets under construction having a value of \$2,608,861 (2021 – \$nil) have not been amortized. Amortization of these assets will commence when the asset is put into service. The assets under construction include construction costs of \$2,488,604 related to the summer dock.

5 Deferred Contributions

Deferred contributions represent externally restricted amounts received that have not been spent. These amounts are restricted as follows:

	2021 \$	Additions \$	Releases \$	2022 \$
Program donations and grants	2,535,835	862,155	1,328,013	2,069,977

6 Fund balances

a) Internally restricted

Capital and Preservation Fund

Internally restricted funds of \$340,706 (2021 – \$2,187,570) represent amounts approved by the Board for projects not funded by external parties or to meet matching requirements of grantors as needed.

	2022 \$	2021 \$
Balance – Beginning of year	2,187,570	826,820
Utilized in year	(1,863,319)	(663,832)
Interfund transfer	-	2,000,000
Gain on disposal of capital assets	16,455	24,582
Balance – End of year	340,706	2,187,570

b) Externally restricted

Capital and Preservation Fund

Externally restricted funds of \$1,789,086 (2021 – \$1,435,338) remain restricted by contributors for capital expenditures.

	2022 \$	2021 \$
Balance – Beginning of year	1,435,338	1,331,704
Donations and grants	4,561,607	4,788,002
Utilized during the year	(4,207,859)	(4,684,368)
Balance – End of year	1,789,086	1,435,338

Heritage Park Society

Notes to Financial Statements

December 31, 2022

7 Related party transactions

During the year, the Society made a contribution of \$nil (2021 – \$501,941) to Heritage Park Foundation (the Foundation), a related not-for-profit organization whose purpose is to carry out fundraising and investment activities for the benefit of the Society, but that operates under an independent Board of Directors. The 2021 contribution of \$501,941 was funding for the capital and preservation of the Natural Resources Area (Prospect Ridge and Innovation Crossing).

The Society received a contribution of \$500,000 (2021 – \$293,644) from the Foundation.

The Society provided management and administrative services to the Foundation in the amount of \$140,999 (2021 – \$177,076), which are reimbursed to the Society by the Foundation and are recorded as a reduction of selling, 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) that are recorded in food services revenue.

Accounts receivable includes \$29,936 (2021 – \$435,013) due from the Foundation. These balances are non-interest bearing with no fixed terms of repayment.

8 Fundraising expenses

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

	\$
Amounts paid as remuneration to employees whose principal duties involve fundraising	261,756
Direct expenses incurred for the purpose of soliciting contributions, including grants and donations	207,484

9 Grants awarded

a) City of Calgary Lifecycle & Maintenance Grant (CPIG and MSP)

The City provides the Society with an annual grant to support the ongoing maintenance of assets. In 2022, the Society received \$1,226,832 (2021 – \$2,487,949) from the City for lifecycle maintenance expenses.

b) City of Calgary Wet Dock Replacement Grant

The City provided the Society with a capital grant for replacement of the SS Moyie summer dock. The total grant amount is \$2,908,080. During the year, \$2,488,604 (2021 – \$28,374) was recorded as grant revenue of the Capital and Preservation Fund.

c) City of Calgary Operating Grant

The City provides funding to cover a portion of the operating and capital expenditures of the Society. Funding is determined annually at the discretion of City Council. In 2022, total operating support was \$3,869,847 (2021 – \$3,739,788).

Heritage Park Society

Notes to Financial Statements

December 31, 2022

d) City of Calgary Emergency Resiliency Fund

During 2020 and 2021, the City offered a COVID-19 relief grant for civic and community partners to offset operating deficits. The Society was awarded \$490,000 in 2020 and \$648,500 in 2021, and the total of \$1,138,500 was deferred. In 2022, \$276,923 (2021 – \$nil) was recorded as grant revenue and \$861,577 was returned to the City.

e) Government of Canada

In 2022, the Society was eligible to claim from various Government of Canada programs, grants and subsidies and accessed \$2,020,616 (2021 – \$4,216,702), which was recognized as grant revenue.

	2022 \$	2021 \$
Canada Emergency Wage Subsidy (CEWS)	-	3,035,164
Canada Recovery Hiring Program (CRHP)	-	357,539
Tourism and Hospitality Recovery Program (THRP)	801,314	823,999
Tourism Relief Fund (TRF)	982,869	
Western Economic Diversification (accessible railcar)	139,972	-
Canada Summer Jobs (ESDC)	96,461	-
	<u>2,020,616</u>	<u>4,216,702</u>

The Government of Canada provided COVID-19 relief emergency wage subsidies to employers who met eligibility requirements for each period of the subsidies based on a reduction in revenue compared to prior periods. In 2022, the Society was eligible to claim COVID subsidies and accessed \$801,314 (2021 – \$4,216,702) of relief, which was received and recognized as grant revenue.

In 2022, the Society entered into a grant agreement with the Government of Canada Western Economic Development under the Tourism Relief Fund for \$500,000 to be used for the Natural Resources Interpretive Center Programming. An additional grant agreement of \$1,500,000 was approved to expand the original agreement for funding additional tourism programs. In 2022, the Society's eligible costs under the grant were \$982,869 (2021 – \$nil), which was recognized as grant revenue. As at December 31, 2022, \$982,869 (2021 – \$nil) of this amount was recorded as a receivable.

In 2022, the Society entered into an agreement with Western Economic Diversification for construction costs for an accessible railcar for \$438,750 on a total project cost of \$585,000. As at December 31, 2022, \$139,972 (2021 – \$nil) of this amount was recorded as a receivable.

In 2022, the Society applied to Employment and Social Development Canada (ESDC) and received funding of \$96,461.

In 2022, the Society entered into an agreement with Minister of Canadian Heritage and the Museum Assistance Program for \$125,000 to increase bilingual digital access of the artifacts in 2023 and 2024. The programming costs will be incurred in 2023 and therefore no revenue was recorded in 2022.

Heritage Park Society

Notes to Financial Statements

December 31, 2022

f) Government of Alberta

In 2022, the Society was eligible to claim from various Government of Alberta programs, grants and subsidies and accessed \$196,460 (2021 – \$nil), which was recognized as grant revenue. In 2022, the Society received a grant from Alberta Culture Community Initiative Program (CIP) for \$75,000 for funding Indigenous Engagement and \$9,630 was recognized as grant revenue.

	2022 \$	2021 \$
Alberta Culture Stabilization	100,000	-
Alberta Jobs Now Program	96,460	-
Alberta Culture Community Initiatives Program (CIP)	9,630	-
	<hr/>	
	206,090	-
	<hr/>	

g) Canada-Alberta Integrated Bilateral Agreement Natural Resources Project

In 2021, the Society entered into a grant agreement with the Government of Alberta under the Canada-Alberta Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program. The grant is to be used exclusively for construction of the Natural Resources Interpretive Centre based on reimbursement of 40% of eligible expenditures, to a maximum grant contribution of \$2,045,605. During the year, \$nil (2021 – \$841,538) was recorded as grant revenue of the Capital and Preservation Fund. As at December 31, 2021, this grant had been fully utilized for its intended purpose.

10 Line of credit

The Society has a \$1,000,000 revolving demand facility. It is secured by the Society's investment account with National Bank Financial Group. The balance outstanding at December 31, 2022 is \$nil (2021 – \$nil). This line of credit bears interest at rate of BMO prime plus 0.25% per annum and is payable on a monthly basis.

11 Government remittances

Accounts payable and accrued liabilities includes government remittances payable of \$199,933 (2021 – \$nil).

12 Accounts receivable

In 2017, the Society entered into a sponsorship agreement with BMO Financial Group for an amount of \$1,000,000 to support the Colonist Car National Pride Tour. The agreement allowed the sponsorship amount to be paid over time. As of December 31, 2022, the Society has received \$900,000 (2021 – \$800,000). The remaining receivable balance was discounted to net present value with amounts due in 2022 of \$83,021 (2021 – \$85,636) classified as current accounts receivable, and amounts due in future years of \$nil (2021 – \$83,021) classified as long-term accounts receivable.

Heritage Park Society

Notes to Financial Statements

December 31, 2022

13 Contingent liabilities

The Society is a defendant in a legal proceeding arising in the normal course of business. While the ultimate outcome and liability cannot be reasonably estimated at this time, the Society believes that any settlement will not have a material adverse effect on the financial position. Management has concluded that the claim does not meet the criteria for recording a liability.



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HERITAGE PARK SOCIETY CHARITABLE REGISTRATION #11895 6457 RR0001