



Heritage Park Society

ANNUAL REPORT 2023



Message from the President and CEO



The secret to Heritage Park's status as a beloved attraction is the deep, personal impact we have had on generations of Calgarians over the past 60 years.

I am proud to report that we renewed that legacy again in 2023. We can only imagine our impact, for instance, on the 78 couples who got married here, the 4,000 kids who attended a summer camp, the hundreds of seasonal staff working their first job, and the thousands of Calgary families who bought memberships and spent the summer making a lifetime of memories.

Whether attending a brunch, ticketed event, tea, Music in the Park, education program, or catered event, exploring the Historical Village or Gasoline Alley, participating in a cultural event or movie date night, or enjoying our Plaza restaurants and retail, each of our 620,000 visitors last year took home a lasting memory.

The impact on the lives of the people we serve is truly priceless.

We are especially proud that more than 52,000 children participated in our various school programs. Heritage Park remains one of the largest educators of school-age children in Calgary outside of the two formal education systems. Our most popular education program was “Plains, Trains, and Immigrants,” where kids step back in time to learn about early Prairie settlers. (Learning while having fun is our secret sauce!)

In 2023, our research found that 26% of guests visited Heritage Park for the first time. One successful strategy to attract new audiences is to diversify the stories we present. For instance, last year we installed new signage sharing the stories of the early Métis and Black communities in Southern Alberta, and for the time opened and interpreted the historic Wing Chong Laundry.

Nothing attracts a new audience like a Free Day, and last year on Alberta Day, thanks to the support of the Provincial Government, this admission-free day smashed our all-time daily record with 19,004 guests. With free concerts and a spectacular drone show, the day created lasting memories for a new generation of Calgarians.

After two years of upgrading our Health & Safety Management Program, in 2023 we successfully received our “Certification of Recognition” (COR), meaning our program was certified by an independent auditor as meeting provincial standards. As you know, Heritage Park is a complex operation. We operate a steam train, farm, wagon rides, midway, paddle wheeler (on Calgary's drinking water!), continuous children's programs, 183 historic buildings, antique cars and trucks, restaurants, retail shops, and underground infrastructure dating back to 1964! Needless to say, COR recognition of our safety program was an important milestone.

At the core of Heritage Park's success is the talent and dedication of our people. In 2023, more than 940 community volunteers and 600 seasonal and full-time employees teamed up to deliver the experiences

that were rated by 90% of all visitors as a remarkable 8, 9 or 10 out of 10 for guest satisfaction. It's also why TripAdvisor rated us among the top 10% of attractions worldwide in 2023.

We are also grateful for our many loyal supporters and partners. These are the individuals, families, companies and local Foundations whose vision and remarkable generosity over the past 60 years have helped created the unique historic storytelling experiences found only at Heritage Park!

It is an honour to lead this wonderful organization, and I feel a sense of privilege and responsibility every day.

I want to thank our Board of Trustees, all passionate community volunteers, for their continuing guidance. I especially want to express my gratitude to Lorne O'Reilly, our outgoing Society Board Chair, for his support over the past two years. His term covered both the difficult COVID period and the healthy recovery we've made. His leadership was very important to me and our organization.

In closing, our many successes in 2023 make us very optimistic for the future. We are excited to be celebrating our 60th anniversary in 2024 – we have ambitious plans for what we hope will be another record smashing year.

If we are able today to look ahead with big dreams, it's because we are standing on the shoulders of all those who came before us. That is the true lesson of history – embracing the past can inspire the future.

Thank you for your support.

Sincerely,

A handwritten signature in black ink, appearing to read "Lindsey Galloway". The signature is fluid and cursive, with the first name "Lindsey" being more prominent than the last name "Galloway".

Lindsey Galloway
President and CEO, Heritage Park

Message from the Heritage Park Society Chair



This past year, the Park once again showed why it is one of Calgary's beloved tourist attractions. It's such a unique place, with a great, central location, where guests come to learn about our shared history and the perseverance of those people who settled here before us.

These last six decades have created a special community that is truly amazing. Guests came to the Park to spend time with family and friends, enjoy the amusements and animals, or feel connected to nature, the past and history of this region and land; in addition, movies were filmed, and couples were married – over 600,000 people found unique experiences at Heritage Park in 2023. Well over half of our guests chose to rate their experience at the Park a 10 out of 10 on our visitor satisfaction surveys.

I enjoy being a part of an organization like Heritage Park. It is a pleasure to participate with the amazing community leaders and volunteers who constitute the Park's boards of trustees, and I appreciate the privilege and honour of leading both the society and foundation boards over these last years. Thank you to all of my fellow Trustees who give their time and commitment to such an important place.

After all, we are all volunteers. In 2023, 946 people volunteered time at the Park. That resulted in over 50,000 hours in service. Each of the society and foundation board trustees feel strongly about the power of volunteering, and the commitment shown is truly remarkable. A sincere thank you to each of you.

This 60th year of Heritage Park will be one of its best on record and I'm excited to participate with the Park and some of the events that are coming up this year. I encourage everyone to visit the Park early and often, and please take the opportunity to participate in the Heritage Club and other support initiatives with the Park this year.

On behalf of the Heritage Park Society 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 2024 and for many decades to come.

A handwritten signature in black ink, appearing to read 'L. O'Reilly', written in a cursive style.

Lorne O'Reilly, KC
Chair, Heritage Park Society
Past Chair, Heritage Park Foundation

Heritage Park Society

Financial Statements
December 31, 2023



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, 2023 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, 2023;
- 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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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
March 28, 2024

Heritage Park Society

Balance Sheet

As at December 31, 2023

			2023	2022
	Operating Fund	Capital and Preservation Fund	Total	Total
	\$	\$	\$	\$
Assets				
Current assets				
Cash	2,266,859	-	2,266,859	4,543,493
Short-term investments	24,377	-	24,377	1,004,452
Accounts receivable (notes 7 and 9)	1,054,462	2,516,474	3,570,936	3,211,009
Prepaid expenses	148,680	700	149,380	146,092
Inventory	777,923	-	777,923	668,019
	4,272,301	2,517,174	6,789,475	9,573,065
Collection assets (note 3)	-	31,070,272	31,070,272	30,330,223
Capital assets (note 4)	-	41,775,553	41,775,553	41,696,452
	4,272,301	75,362,999	79,635,300	81,599,740
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 12)	1,981,182	525,858	2,507,040	2,475,694
Due to/from other funds	(1,243,102)	1,243,102	-	-
Deferred revenue	672,749	-	672,749	643,887
Deposits on account	218,183	-	218,183	225,092
	1,629,012	1,768,960	3,397,972	3,344,673
Deferred contributions (note 5)	1,422,527	-	1,422,527	2,069,977
	3,051,539	1,768,960	4,820,499	5,414,650
Fund Balances				
Unrestricted	1,220,762	-	1,220,762	2,649,499
Internally restricted (note 6(a))	-	177,071	177,071	340,706
Externally restricted (note 6(b))	-	1,163,126	1,163,126	1,789,086
Internally restricted – net investment in collection assets	-	31,070,272	31,070,272	30,330,223
Internally restricted – net investment in capital assets	-	41,183,570	41,183,570	41,075,576
	1,220,762	73,594,039	74,814,801	76,185,090
	4,272,301	75,362,999	79,635,300	81,599,740

Commitment and contingencies (note 14)

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, 2023

			2023	2022
	Operating Fund \$	Capital and Preservation Fund \$	Total \$	Total \$
Revenue				
Food services (note 7)	8,137,361	-	8,137,361	6,440,786
Admissions	6,407,912	-	6,407,912	5,285,248
Grants (note 9)	5,265,043	4,987,096	10,252,139	10,088,971
Retail	1,625,782	-	1,625,782	1,341,067
Donations and sponsorships	1,440,586	314,833	1,755,419	1,918,260
Other revenue (note 10)	1,366,157	-	1,366,157	1,176,672
Heritage Park Foundation contribution (note 7)	500,000	-	500,000	500,000
Interest	221,438	-	221,438	147,013
	<u>24,964,279</u>	<u>5,301,929</u>	<u>30,266,208</u>	<u>26,898,017</u>
Expenses				
Operating and maintenance (note 3)	13,709,667	2,119,356	15,829,023	13,363,473
Selling, general and administrative (note 7)	7,750,770	753,371	8,504,141	8,195,901
Product costs – food	2,483,773	-	2,483,773	2,032,256
Product costs – retail	948,806	-	948,806	775,511
Amortization	-	3,783,516	3,783,516	3,305,314
Reduction in collection assets	-	58,755	58,755	63,773
Loss on disposal of capital assets	-	28,483	28,483	1,167
	<u>24,893,016</u>	<u>6,743,481</u>	<u>31,636,497</u>	<u>27,737,395</u>
Excess (deficiency) of revenue over expenses	71,263	(1,441,552)	(1,370,289)	(839,378)
Interfund transfer (note 6(a))	(1,500,000)	1,500,000	-	-
Fund balances – Beginning of year	<u>2,649,499</u>	<u>73,535,591</u>	<u>76,185,090</u>	<u>77,024,468</u>
Fund balances – End of year	<u>1,220,762</u>	<u>73,594,039</u>	<u>74,814,801</u>	<u>76,185,090</u>

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

Heritage Park Society

Statement of Cash Flows

For the year ended December 31, 2023

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses of the Operating Fund	71,263	226,039
Revenue of the Capital and Preservation Fund related to operating and maintenance	2,119,356	1,502,928
Expenses of the Capital and Preservation Fund related to operating and maintenance	<u>(2,119,356)</u>	<u>(1,502,928)</u>
	71,263	226,039
Change in non-cash working capital items	<u>(451,411)</u>	<u>211,532</u>
	<u>(380,148)</u>	<u>437,571</u>
Investing activities		
Additions to collection assets	(771,002)	(346,892)
Additions to capital assets	(3,891,504)	(3,431,218)
Net decrease (increase) in short-term investments	980,075	(3,740)
Proceeds on disposal of capital assets	406	100
Change in non-cash working capital items related to investing activities	<u>90,628</u>	<u>242,314</u>
	<u>(3,591,397)</u>	<u>(3,539,436)</u>
Financing activities		
Revenue of the Capital and Preservation Fund restricted for capital asset additions	3,154,771	3,057,624
Fundraising expenses for capital activities	(753,371)	(771,464)
Change in non-cash working capital items related to financing activities	<u>(706,489)</u>	<u>(1,395,730)</u>
	<u>1,694,911</u>	<u>890,430</u>
Decrease in cash during the year	<u>(2,276,634)</u>	<u>(2,211,435)</u>
Cash – Beginning of year	<u>4,543,493</u>	<u>6,754,928</u>
Cash – End of year	<u>2,266,859</u>	<u>4,543,493</u>
Supplemental information		
Interest received	221,438	147,013

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

Heritage Park Society

Notes to Financial Statements

December 31, 2023

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, 2023

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 and 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, 2023

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 2023 pension cost of \$342,333 (2022 – \$251,108) 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 2023, \$27,802 (2022 – \$18,678) 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 \$284,914 (2022 – \$71,409) 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, 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, 2023

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, 2023

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 2023 was as follows:

	2022	Additions	Reductions	2023
	\$	\$	\$	\$
Food and retail buildings	5,925,087	72,096	5,350	5,991,833
Exhibit buildings	7,877,509	93,049	12,350	7,958,208
Railway and streetcars	4,732,583	506,533	3,629	5,235,487
Midway assets	2,113,754	75,761	20,778	2,168,737
Other period structures	2,025,858	30,514	7,059	2,049,313
Artifacts	5,906,911	19,872	-	5,926,783
Marine	991,420	-	-	991,420
Period buses	364,090	-	-	364,090
Buggies and wagons	224,926	-	9,491	215,435
Period vehicles	168,085	979	98	168,966
	<u>30,330,223</u>	<u>798,804</u>	<u>58,755</u>	<u>31,070,272</u>

During 2023, collection assets were donated to the Society in the amount of \$27,802 (2022 – \$17,622). 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 (2022 – \$nil). The Society uses the proceeds for the direct care and maintenance of the collection assets.

During 2023, \$694,323 (2022 – \$328,917) 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 \$92,685 (2022 – \$201,391).

4 Capital assets

	2023		2022	
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Infrastructure	38,304,257	21,734,126	16,570,131	13,014,260
Service buildings, components and improvements	51,607,702	28,182,012	23,425,690	24,828,260
Equipment and furnishings	9,000,803	7,989,681	1,011,122	791,858
Computer hardware and software	3,984,402	3,475,699	508,703	453,393
Construction-in-progress	259,907	-	259,907	2,608,681
	<u>103,157,071</u>	<u>61,381,518</u>	<u>41,775,553</u>	<u>41,696,452</u>

Assets under construction having a value of \$259,907 (2022 – \$2,608,861) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Heritage Park Society

Notes to Financial Statements

December 31, 2023

5 Deferred contributions

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

	2022 \$	Additions \$	Releases \$	2023 \$
Program donations and grants	2,069,977	2,206,495	2,853,945	1,422,527

6 Fund balances

a) Internally restricted

Capital and Preservation Fund

Internally restricted funds of \$177,071 (2022 – \$340,706) represent amounts approved by the Board for projects not funded by external parties or to meet matching requirements of grantors as needed.

	2023 \$	2022 \$
Balance – Beginning of year	340,706	2,187,570
Utilized during the year	(1,722,694)	(1,863,319)
Interfund transfer	1,500,000	-
Gain on disposal of capital assets	59,059	16,455
Balance – End of year	<u>177,071</u>	<u>340,706</u>

b) Externally restricted

Capital and Preservation Fund

Externally restricted funds of \$1,163,126 (2022 – \$1,789,086) remain restricted by contributors for capital expenditures.

	2023 \$	2022 \$
Balance – Beginning of year	1,789,086	1,435,338
Donations and grants	5,215,350	4,561,607
Utilized during the year	(5,841,310)	(4,207,859)
Balance – End of year	<u>1,163,126</u>	<u>1,789,086</u>

Heritage Park Society

Notes to Financial Statements

December 31, 2023

7 Related party transactions

The Heritage Park Foundation (the Foundation) was established by 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. The Society has an economic interest in the Foundation, as the Foundation is mandated to support maintenance and development of Heritage Park. In addition, the Society provides management and administrative personnel to the Foundation.

During the year, the Society received a contribution of \$500,000 (2022 – \$500,000) from the Foundation.

The Society provided management and administrative services to the Foundation in the amount of \$167,645 (2022 – \$140,999), 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 \$29,224 (2022 – \$48,325) that are recorded in food services revenue.

Accounts (payable)/receivable includes \$(146) (2022 – \$29,936) due (to)/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	380,125
Direct expenses incurred for the purpose of soliciting contributions, including grants and donations	174,889

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 2023, the Society recorded \$3,129,396 (2022 – \$1,226,832) as a grant revenue from city for the lifecycle and maintenance expenses. As at December 31, 2023, \$1,232,647 (2022 – \$349,134) of this amount was recorded as a receivable.

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 \$3,087,854. During the year, \$599,248 (2022 – \$2,488,604) was recorded as grant revenue of the Capital and Preservation Fund.

Heritage Park Society

Notes to Financial Statements

December 31, 2023

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 2023, total operating support was \$4,831,000 (2022 – \$3,869,847).

d) Government of Canada

In 2023, the Society was eligible to claim from various Government of Canada programs, grants and subsidies and accessed \$1,480,856 (2022 – \$2,020,616), which was recognized as grant revenue.

	2023 \$	2022 \$
Tourism and Hospitality Recovery Program	-	801,314
Tourism Relief Fund (TRF)	1,017,062	982,869
Western Economic Diversification (accessible railcar)	286,286	139,972
Canada Summer Jobs	-	96,461
Community Services Relief Fund (CSRF)	65,008	-
Museums Assistance Program – MAP (Canada Fed)	112,500	-
	<u>1,480,856</u>	<u>2,020,616</u>

In 2022, the Society entered into a grant agreement with the Government of Canada Western Economic Development under the TRF for \$500,000 to be used for the Natural Resources Interpretive Center Programming. In 2023, an additional grant agreement of \$1,500,000 was approved to expand the original agreement for funding additional tourism programs. In 2023, the Society's total eligible costs under the grant were \$1,017,062 (2022 – \$982,869), which was recognized as grant revenue. As at December 31, 2023, \$1,551,584 (2022 – \$982,869) 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, 2023, \$179,485 (2022 – \$139,972) of this amount was recorded as a receivable.

In, 2022, the Society obtained a grant from Employment and Social Development. In 2023, the Society received \$nil (2022 – \$96,461).

In 2023, the Society obtained a grant from the CSRF up to \$100,000 for human resources management systems modernization and recorded revenue of \$65,008 (2022 – \$nil) for this program.

In 2022, the Society entered into an agreement with the Minister of Canadian Heritage and the Museum Assistance Program for \$125,000 to increase bilingual digital access of the artifacts in 2023 and 2024. In 2023, revenue of \$112,500 (2022 – \$nil) was recorded for this program.

Heritage Park Society

Notes to Financial Statements

December 31, 2023

e) Government of Alberta

In 2023, the Society was eligible to claim from various Government of Alberta programs, grants and subsidies and accessed \$81,542 (2022 – \$196,460), which was recognized as grant revenue. In 2022, the Society received a grant from Alberta Culture Community Initiative Program for \$75,000 for funding Indigenous Engagement and in 2023 \$35,410 (2022 – \$9,630) was recognized as grant revenue.

	2023 \$	2022 \$
Alberta Culture Stabilization	-	100,000
Alberta Jobs Now Program	69,542	96,460
Alberta Museums Association	12,000	-
Alberta Culture Community Initiatives Program	35,410	9,630
	<hr/>	<hr/>
	116,952	206,090
	<hr/>	<hr/>

f) Other grants

In 2023, the Society obtained various grants from multiple donors and entities, to support various programs, of \$94,687 (2022 – \$nil) and was recorded as grant revenue.

10 Other revenue

	2023 \$	2022 \$
Parking	559,231	442,770
Education	424,257	338,682
Miscellaneous	382,669	395,220
	<hr/>	<hr/>
	1,366,157	1,176,672
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11 Line of credit

The Society currently has an operating facility for \$500,000, secured by personal and moveable property. This demand line of credit bears interest at rate of prime plus 0.25% per annum and is payable monthly. The balance outstanding at December 31, 2023 is \$nil (2022 – \$nil).

In 2022, the Society had a \$1,000,000 revolving demand facility, which was secured by the Society's \$1,000,000 GIC investment. This agreement has been amended and the GIC investment matured into cash.

12 Government remittances

Accounts payable and accrued liabilities include government remittances payable of \$10,000 (2022 – \$199,933).

Heritage Park Society

Notes to Financial Statements

December 31, 2023

13 Sponsorship agreement

In 2017, the Society entered into a sponsorship agreement for an amount of \$1,000,000 to support the Colonist Car National Pride Tour, to be paid over time. As at December 31, 2023, the Society has received the full amount of \$1,000,000 (2022 – \$900,000).

14 Commitment and contingent liabilities

The Society has committed under various agreements fees as follows:

	\$
2024	34,687
2025	35,167
2026	35,659
2027 and thereafter	<u>36,163</u>
	<u>141,676</u>

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.

15 Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Heritage Park Society

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.

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*Ex Officio

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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