

Tourism, Parks and Recreation

Annual Report
2013-2014



Note to Readers:

Copies of the annual report are available on the website or by contacting:

Tourism, Parks and Recreation

Communications

6th Floor, Commerce Place

10155 – 102 Street

Edmonton, Alberta T5J 4L6

Phone: 780-644-5589

Fax: 780-644-5586

Website: www.tpr.alberta.ca

ISBN: 978-1-4601-1748-4

ISSN: 1918-428X

Tourism, Parks and Recreation

Annual Report 2013-14

CONTENTS

| | |
|---|------------|
| Preface | 2 |
| Minister's Accountability Statement | 3 |
| Message from the Minister | 4 |
| Management's Responsibility for Reporting | 5 |
| Results Analysis | 6 |
| Ministry Overview | 6 |
| Review Engagement Report (Auditor General's Report) | 9 |
| Performance Measures Summary Table | 10 |
| Discussion and Analysis of Results | 11 |
| Financial Information | 35 |
| Financial Statements | 37 |
| Other Information | 135 |
| Statements of Writeoffs | 135 |
| Public Interest Disclosure Act | 135 |
| Acts Administered by Tourism, Parks and Recreation | 136 |
| Performance Measures: Data Sources and Methodology | 137 |
| Readership Survey | 139 |

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Management Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 19 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

On December 6, 2013, the government announced new ministry structures. The 2013-14 ministry annual reports and financial statements have been prepared based on the new ministry structure.

This annual report of the Ministry of Tourism, Parks and Recreation contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Tourism, Parks and Recreation and provincial agencies for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Management Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2014, was prepared under my direction in accordance with the *Fiscal Management Act* and the government's accounting policies. All of the government's policy decisions as at June 3, 2014, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Dr. Richard Starke
Minister of Tourism, Parks and Recreation

Message from the Minister

More than four million people have made Alberta their province of choice – with another million expected to call our province home in the next decade. People choose to live here because of our strong economy and because of our high quality of life. In 2013-14, Tourism, Parks and Recreation contributed to building Alberta in both areas through collaboration with our many partners.

I am very proud of the resourcefulness and commitment of ministry staff in their response to the June flooding in southern Alberta. Our parks staff helped evacuate over 1,200 people from the area, with approximately 400 air lifted with assistance from the Canadian military over a four day period. We made sure travellers got the information they needed online, by phone or in over 130 visitor information centres. Staff from across the ministry collaborated with industry to launch the Alberta Strong campaign, which highlighted the spirit and resilience of Albertans while sending a clear message that the province was open for business. As soon as the waters receded, work started to restore our provincial parks and ensure our tourism economy recovered from the disaster. Parks staff supervised volunteer efforts that were instrumental in the work repairing pathways and recreation trails with approximately 87 per cent of Kananaskis trails reopened by October.

I am also inspired by the stories of determination and collaboration in the face of tragedy, like the thousands people who rolled up their sleeves to make sure the Calgary Stampede happened “come hell or high water.” Or when Tourism Calgary’s office was damaged, Travel Alberta opened their doors and shared their space. This demonstrates the resourcefulness and creative thinking of the tourism industry that will build a better Alberta.

In 2013-14, we released *Pathway to Growth – Alberta’s Tourism Framework 2013-2020*, which sets the path to grow Alberta’s tourism industry to \$10.3 billion by 2020. It calls for government and industry collaboration to create, enhance and market compelling tourism experiences to attract visitors in a competitive, global marketplace.

This was a great year for amateur sport. Alberta hosted many successful sport events, including the 2014 Alberta Winter Games in Banff and Canmore, and the Alberta 55 Plus Summer Games in Barrhead-Westlock. In the months leading up to the 2014 Olympic Games, the ministry supported several World Cup events. We also began the process of renewing the Alberta Sport Plan, which will guide amateur sport in the province for the next 10 years.

Our provincial parks system provided opportunities for both visitors and residents to connect with nature, be active, spend time with friends and families and have fun. Those visits are made more memorable through innovative initiatives such as the First Nations Internship Program at Writing-on-Stone Provincial Park, which took first place in the Institute of Public Administration of Canada/Deloitte Public Sector Leadership Awards.

In 2013-14, Tourism, Parks and Recreation helped make Alberta a great place to live. Tourism continues to grow and diversify Alberta’s economy, provide opportunities for Albertans and visitors to discover our province, and to proudly tell our story to visitors from around the world. We improved park facilities and encouraged Albertans and visitors to enjoy our beautiful landscapes. We provided opportunities for Albertans of all ages to be active and promoted excellence in sport. We look forward to building on our successes in the upcoming year.

[Original signed by]

Dr. Richard Starke
Minister of Tourism, Parks and Recreation

Management's Responsibility for Reporting

The Ministry of Tourism, Parks and Recreation includes: the Department of Tourism, Parks and Recreation; Travel Alberta and the Alberta Sport, Recreation, Parks and Wildlife Foundation, now operating as the Alberta Sport Connection.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Tourism, Parks and Recreation. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information agrees with underlying data and the source used to prepare it.
- Understandability and Comparability – current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – performance measures and related targets match those included in Budget 2013.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board, the Minister of Finance and the Minister of Tourism, Parks and Recreation information needed to fulfil their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Management Act*.

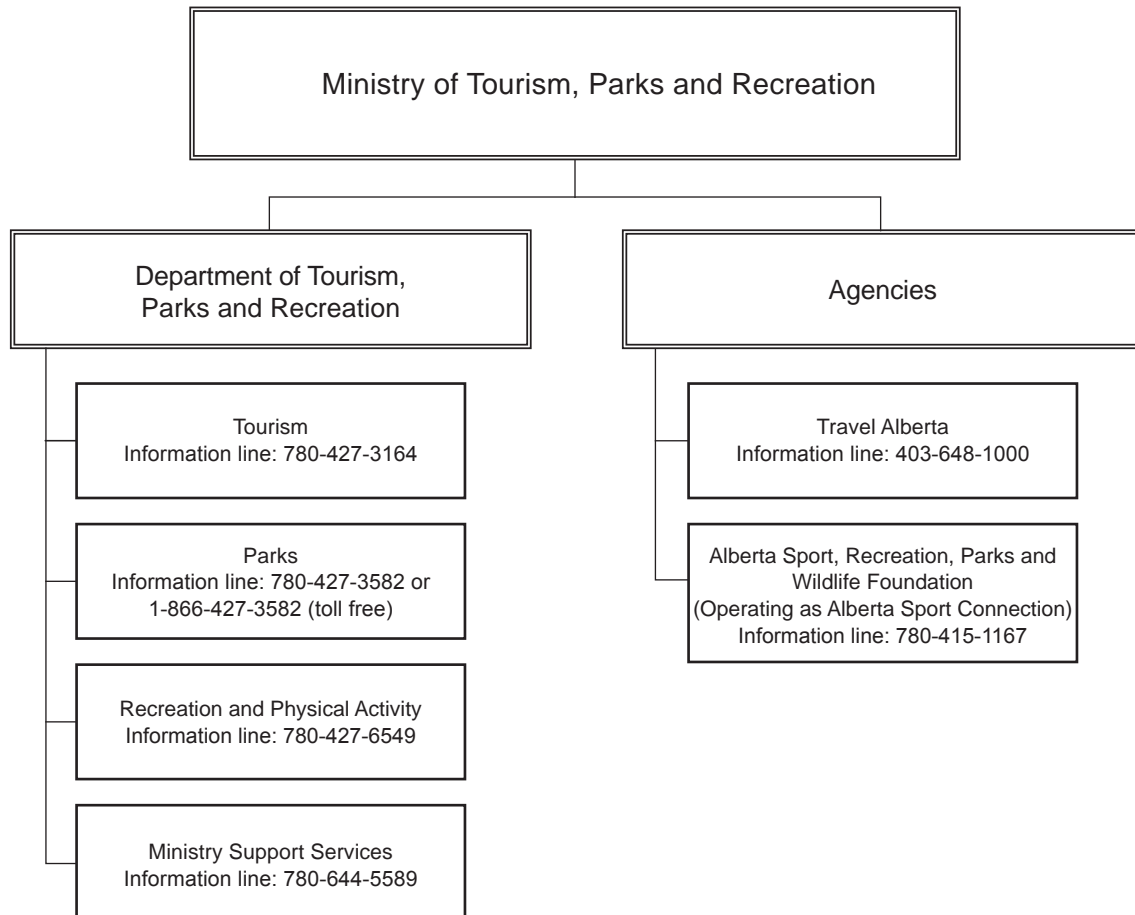
In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executive of the individual entities within the ministry.

[Original signed by]

Dana Woodworth
Deputy Minister of Tourism, Parks and Recreation
June 3, 2014

Results Analysis

Ministry Overview



The ministry consists of the department; Travel Alberta; and the Alberta Sport, Recreation, Parks and Wildlife Foundation, operating as the Alberta Sport Connection. The following description of the ministry's structure provides an overview of the range of programs and services available.

Department

1. Tourism

The Tourism Division works with industry, government and other stakeholders to advance the priorities of *Alberta's Tourism Framework* and achieve the goal for tourism in Alberta to be a \$10.3 billion industry by 2020. The division supports entrepreneurial investment in traveller-focused tourism development through advisory and consultative services, workshops and training programs, and financial support through grants and contracts. It also conducts research, collects, and distributes tourism data and market intelligence to the tourism industry. In partnership with industry, the division works to increase air capacity to Alberta's key markets and encourage the federal government to adopt policies that enhance air service to Alberta. Additionally, the division encourages private sector investment in Alberta's tourism industry from domestic and international sources. It also provides convenient, relevant and engaging information and services to consumers both during the trip planning stage, through the 1-800-ALBERTA Contact Centre and Distribution Centre, and during their travel journey through the operation of 11 entry point visitor information centres. Support is also provided to approximately 120 community and regional visitor information centres throughout the province to assist them in providing professional visitor services. A digital assets library supports destination marketing organizations and tourism operators by providing compelling images and footage. Other ministries also use the library images and footage for their initiatives.

2. Parks

The Parks Division inspires people to discover, value, protect, and enjoy nature and the benefits it provides for current and future generations. It conserves 475 parcels of land across the province (27,600 square kilometres) and supports the *Active Alberta* policy by offering a wide range of outdoor recreation opportunities. The ministry continues to implement the *Plan for Parks* in association with the *Land-use Framework*. It serves people through parks by planning, building and maintaining parks infrastructure and operating facilities; ensuring public safety and security; conducting scientific research; providing environmental education; and managing permits, leases, consultation and policy.

3. Recreation and Physical Activity

The Recreation and Physical Activity Division collaborates with communities and organizations to promote active and healthy lifestyles through policy development and guidance for participation in recreation, active living and sport. The division ensures the strategic priorities and outcomes from the *Active Alberta* policy are met and supports organizations that play a key role in the delivery of programs and services that promote the health, social and economic benefits of recreation and active living. The Recreation and Physical Activity Division also encourages recreation opportunities by assisting in the development of trails and supporting groups who build trails.

4. Ministry Support Services

Ministry Support Services include the minister's office; deputy minister's office; communications; human resource services; financial services; policy, planning and legislative services; and information management and technology services. These services are provided to the entire ministry to optimize operating efficiency.

Agencies

1. Travel Alberta

Alberta's tourism marketing initiatives are carried out through Travel Alberta, the tourism marketing agency of the Government of Alberta. Travel Alberta is the steward for the Alberta Provincial Tourism Brand and manages regional, national and international tourism marketing programs, services and activities. Travel Alberta drives tourism visitation and revenue for the province by keeping Albertans travelling throughout Alberta and attracting new visitors outside our borders with compelling invitations to visit Alberta. Travel Alberta also provides marketing support including news and information, cooperative funding, and learning opportunities to help provincial tourism partners grow their businesses.

2. Alberta Sport Connection

The Alberta Sport, Recreation, Parks and Wildlife Foundation, operating as the Alberta Sport Connection, is committed to helping people lead active, healthy lives and enhancing the quality of life in Alberta's communities. The vision of the Alberta Sport Connection is to make Alberta the premier sport delivery system in Canada; its mission is to enhance, advocate, and inspire participation and partnerships, as Albertans strive for excellence in sport. Alberta Sport Connection offers a wide variety of programs and services through grant programs that assist organizations, communities, and provincial sport organizations in sport development, high performance sport and the delivery of Alberta Games.

Review Engagement Report

To the Members of the Legislative Assembly

I have reviewed the performance measures identified as reviewed by the Office of the Auditor General in the Ministry of Tourism, Parks and Recreation's Annual Report 2013–2014. The reviewed performance measures are the responsibility of the ministry and are prepared based on the following criteria:

- *Reliability*—The information used in applying performance measure methodologies agrees with underlying source data for the current and prior years' results.
- *Understandability*—The performance measure methodologies and results are presented clearly.
- *Comparability*—The methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- *Completeness*—The goals, performance measures and related targets match those included in the ministry's budget 2013.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the ministry.

A review does not constitute an audit and, consequently, I do not express an audit opinion on the performance measures. Further, my review was not designed to assess the relevance and sufficiency of the reviewed performance measures in demonstrating ministry progress towards the related goals.

Based on my review, nothing has come to my attention that causes me to believe that the performance measures identified as reviewed by the Office of the Auditor General in the ministry's annual report 2013–2014 are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability and completeness as described above.

[Original signed by Merwan N. Saher, FCA]

Auditor General

April 28, 2014

Edmonton, Alberta

Performance measures reviewed by the Office of the Auditor General are noted with a double asterisks (**) on the Performance Measures Summary Table.

Performance Measures Summary Table

| Goals/Performance Measure(s) | Prior Years' Results | | | | Target | Current Actual | |
|--|---|------------------|------------------|------------------|------------------|----------------|-----------------------|
| 1. Alberta's tourism products are developed and expanded, and tourism from targeted local, national and international markets is increased | | | | | | | |
| 1.a | Percentage of tourism industry clients satisfied with tourism development services | 76.6% 2009-10 | 79.3% 2010-11 | 76.7% 2011-12 | 82.8% 2012-13 | 79.0% | 89.0% 2013-14 |
| 1.b | Total tourism expenditures in Alberta (\$billion)* | \$5.4 2009 | \$5.5 2010 | \$7.8 2011 | \$7.4 2012 | \$8.4 | Not Available 2013 |
| 1.c | Percentage of clients satisfied with their overall experience at provincial visitor information centres** | 97.0% 2009 | 98.2% 2010 | 97.5% 2011 | 99.0% 2012 | 98.0% | 98.5% 2013 |
| 2. The Alberta parks system provides opportunities for outdoor recreation and tourism and appreciation of Alberta's natural heritage | | | | | | | |
| 2.a | Percentage of adult Albertans who visited a provincial park in the last 12 months | 30.2% 2009-10 | 31.5% 2010-11 | 33.4% 2011-12 | 32.1% 2012-13 | 33.0% | 33.7% 2013-14 |
| 3. Albertans enjoy a high quality of life, improved health and wellness, strong communities and personal excellence and fulfillment through recreation, active living and sport | | | | | | | |
| 3.a | Percentage of adult Albertans who participated in recreational activities and sport ** | 80.4% 2009-10 | 88.2% 2010-11 | 84.8% 2011-12 | 81.6% 2012-13 | 85.0% | 85.5% 2013-14 |
| 3.b | Percentage of Albertans age 12-19 who are active or moderately active in their leisure time*** | 75.5% 2009 | 74.7% 2010 | 72.6% 2011 | 67.7% 2012 | 75.0% | Not Available 2013 |

* In 2011, Statistics Canada revised the methodology for the Travel Survey of Residents of Canada that increased estimates of visits and expenditures, creating a break in the series. Results for 2011 and 2012 are not comparable with previous results. The 2013 result from Statistics Canada is not available.

** Indicates performance measures that have been reviewed by the Office of the Auditor General. The performance measures indicated with ** were selected for review by ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal,
- Measures for which new data is available, and
- Measures that have well established methodology.

*** An online update of this measure will be posted when the information is available.

For more detailed information see Performance Measures: Data Sources and Methodology on pages 137-138.

Discussion and Analysis of Results

Overall assessment of 2013-14

The year will always be remembered for the June 2013 floods in southern Alberta, the worst flooding in Canada's history. The ministry, including Travel Alberta, contacted partners in affected areas to determine how best to mitigate the impact of the floods and support the tourism industry. A dedicated web page provided travel agents, travel operators and travellers the latest information for travellers planning Alberta vacations. A network of 130 plus community, regional and provincial visitor information centres provided timely information on tourism attractions and services that were open. The 1-800 ALBERTA contact centre and visitor information centres extended their hours of operation and brought in additional staff to answer visitor questions and to help travellers find alternative routes and destinations.

In response to the trending of hashtag #AlbertaStrong, Travel Alberta developed an Alberta Strong page on www.travelalberta.com, providing space for people to share stories and photographs that captured the courage and camaraderie of Albertans coming together to rebuild flood-affected areas. A new 60-second brand commercial, as well as full-page newspaper ads in the *Calgary Herald* and *Edmonton Journal*, were developed and marketed to highlight the spirit and resiliency of Albertans (remember your neighbours) while sending a clear message that the province was open for business.

In August 2013, the ministry undertook an assessment in southern Alberta gathering information from key industry and community stakeholders to inform future tourism programming. To help partners prepare for future events, the ministry also commissioned a Crisis Readiness Guide serving as a resource for the tourism industry relative to planning for, responding to and recovery from crisis situations. Support was provided to the Canmore/Kananaskis region to develop events attracting new visitors offsetting the losses experienced from tourism businesses being closed because of the flood.

The floods destroyed approximately 170 kilometres of pathways and recreation trails in provincial parks and damaged more than 60 day-use areas and 50 campgrounds. The website www.AlbertaParks.ca provided timely information on closure notices for campgrounds, group use areas and trails, and responded to hundreds of people who wanted to help by establishing a centralized online registry for sharing volunteer opportunities. Ministry staff also supervised volunteer efforts that were instrumental in the work repairing trails and restoring provincial parks.

To provide an integrated approach to recovery activities, the ministry participated in the development of a government Flood Recovery Framework and Flood Recovery Plan, and developed a ministry recovery plan. The government committed to rebuilding campgrounds, recreation trails, day-use areas and provincial park infrastructure, and repairs continued through 2013-14 restoring park services and facilities. By October 2013, 73 per cent of day use areas and 84 per cent of frontcountry campgrounds, were open in Kananaskis Country. At the start of the 2014 camping season, only 2 per cent of frontcountry campsites were unavailable. An \$81 million investment over four years will support the major restoration work required.

The ministry, in partnership with the Ministry of Health, also hired two recreation coordinators to help support the physical, mental and social well-being of flood impacted children and youth in the Siksika Nation, building community capacity as it relates to recreation programs.

Goal One

Linked to Core Business – tourism destination management, which guides tourism planning, development, investment and marketing

Alberta's tourism products are developed and expanded, and tourism from targeted local, national and international markets is increased

Overview

The Tourism Division works with industry, government and other stakeholders to advance the priorities of *Alberta's Tourism Framework* and achieve the goal for tourism in Alberta to be a \$10.3 billion industry by 2020. The ministry supports this goal by working collaboratively with industry stakeholders and all orders of government to facilitate the expansion of Alberta's tourism sector and increase awareness of the economic significance of tourism. The ministry supports the development of tourism experiences, products and destinations throughout the province. It also supports providing travellers with information and counselling through the 1-800 ALBERTA Contact Centre, provincial visitor information centres, community and regional visitor information centres and the Travel Alberta website. The ministry researches, collects, interprets and distributes tourism data and market intelligence for industry stakeholders to identify business and collaborative opportunities.

Results

The *Pathway to Growth – Alberta's Tourism Framework 2013-2020* was released in October 2013 to maximize the potential of the tourism industry. Developed in partnership with Travel Alberta following extensive discussion with tourism industry stakeholders, the framework focuses on creating and marketing new and enhanced authentic Alberta tourism experiences; encouraging investment in tourism to further diversify Alberta's economy; and aligning tourism development and marketing initiatives to create value for the traveller. The tourism landscape is an increasingly competitive one and alignment of key organizations under one framework gives Alberta the best chance to be successful. The framework provides the coordinated leadership needed to focus the tourism industry on preserving and enhancing the quality of Alberta's existing tourism experiences, creating new and enhanced tourism experiences, improving hospitality and growing or enhancing destination areas in Alberta.

To further leverage international opportunities from the mission in 2012 to the Olympics in London, Alberta hosted the DERTOUR Academy, a prestigious incentive and destination promotion event for the German travel industry. In December 2013, more than 600 top travel agents, key tourism partners and journalists from Germany, Austria and neighbouring countries attended the event, spending the first day in Calgary and then three days of training programs and workshops in Banff. Travel Alberta worked with DERTOUR and Alberta's tourism industry to showcase the authentic experiences Alberta has to offer through 19 pre- and post-provincial familiarization tours across the province, including skiing and sleigh rides, local live music, cowboy culture and dining on Alberta beef. In the 40 years that DERTOUR has held these academy events, they believed Alberta held the best one

DID YOU KNOW?

One of the United Kingdom's leading newspapers, *The Guardian*, listed Alberta as one of the best places in the world to visit in 2014.

to date. Evidence of the success of the academy was reported by DERTOUR who indicated bookings to Alberta by their travel agents for the summer of 2014 are up, in some cases by 400 per cent when compared to the previous year.

DID YOU KNOW?

In 2013, Travel Alberta was presented with three awards for tourism marketing excellence at the Golden City Gate Awards at ITB in Berlin:

- Gold: “There Is” promotional video
- Gold: travelalberta.com
- Bronze: Official Alberta Travel Planner

International tourism is increasing and global awareness of Alberta as a year-round destination for tourists is important for building future tourism visitation. To help build key relationships and opportunities, the department and Travel Alberta led a mission to Germany in March 2014. With support from the Canadian Tourism Commission, Canada’s national marketing organization, the mission attended the international tourism fair, ITB Berlin, the world’s largest travel industry event that attracts

international tour operators, travel trade media and key decision makers in the hotel and airline industry. The 2014 ITB Berlin attracted 174,000 visitors and 10,147 exhibitors from 189 countries. Approximately 5,700 accredited journalists from 81 countries, 300 bloggers from 25 countries and 125 foreign delegations were also in attendance. The minister met with representatives of DERTOUR, Germany’s top tour operator to North America. As a result of these discussions, the ministry, including Travel Alberta, and DERTOUR will be working closely together to develop new touring itineraries. In 2011, Germany was Alberta’s second largest overseas market with 74,000 overnight person visits to Alberta from Germany, resulting in \$76 million in trip expenditures. The minister gave interviews with German travel trade media and met with leading tour operators and representatives from the hotel industry, sharing insight on Alberta’s performance relative to other destinations. These insights are critical to Alberta’s ability to effectively market and develop tourism products for international travellers.

Within the province, the ministry attracted further international attention to sports tourism in Alberta by supporting the Tour of Alberta, the first professional cycling race of its kind to be held in Canada. In September 2013, through seed funding of \$3.5 million from the Rural Alberta Development Fund, 15 top professional teams from around the world, including five teams from the Tour de France, competed in the inaugural event that featured a six-stage route travelling more than 800 kilometres through 22 Alberta communities. Working with local organizing committees, sponsors and partners, the ministries of Tourism, Parks and Recreation and Culture showcased a wide variety of cultural and culinary festival experiences at the Tour of Alberta festivals. Each ministry invested \$250,000 to support festival experiences along the route, which were enjoyed by more than 136,000 spectators. In total, the event generated a net economic impact of over \$10.9 million in Alberta and created the equivalent of 172 person-years of employment. The event attracted more than one million views from around the world showcasing Alberta’s landscapes.

To facilitate the tourism industry’s access to capital, the ministry worked collaboratively with regional stakeholders identifying tourism opportunities. Tourism investment attraction material has been prepared for those opportunities identified in southwest and northwest Alberta, and the Mighty Peace Region, important for connecting tourism opportunities with developers and investors. In 2013-14, the ministry continued to research the value of tourism by undertaking economic impact assessments for tourism in the province, including six tourism regions and seven land-use regions. In April 2013, a study titled *Potential Demand for Rural Vacation Experiences in Alberta by Residents of Alberta* was released.

Tourism in Alberta's rural communities contributes significantly to the economy and the report will inform marketing and product development opportunities that will resonate with potential travellers. The study built on previous research, exploring perceptions of rural vacation experiences in Alberta and the potential to attract urban residents.

To increase tourism visitation, spending and the visitor experience, the ministry invested in niche tourism products and experiences, including agricultural, aboriginal, trail-based, event and sport tourism. The ministry also continued to support the growth of culinary experiences through the Alberta Culinary Tourism Alliance. In 2013, the Alliance aligned its strategies and actions with *Alberta's Tourism Framework*, partnering with industry to deliver authentic culinary experiences at festivals and events, including the Ice on Whyte Festival in Edmonton and Sunshine Skillet in Medicine Hat. In support of culinary and agricultural tourism, the ministry piloted Alberta's first Open Farm Days in partnership with the Ministry of Agriculture and Rural Development, Agriculture for Life, Alberta Association of Agricultural Societies and the Alberta Culinary Tourism Alliance. Over 40 farms opened their gates to Albertans and visitors during the two-day, provincewide event held in August 2013.

The ministry invested in festivals and events committed to tourism growth, including the Blueberry Bluegrass Festival in Stony Plain, Lacombe Days in Lacombe and the Dark Sky Festival in Jasper. The ministry also supported the WinterStart Festival at the 2013 Lake Louise Alpine Ski World Cup. In support of developing Alberta's rural destinations, the ministry engaged in tourism workshops in northern Alberta and initiated destination management planning with the Alberta Northern Rockies Tourism Alliance. It also worked with Treaty 7 Management Corporation to increase the role of tourism in Treaty 7 communities, and invested in Aboriginal events with the potential to draw Albertans and international visitors, including Sharing our Culture Pow Wow and Making of Treaty 7 in Calgary and the International Peace Pow Wow in Lethbridge.

In 2013-14, the ministry provided \$200,000 to support Beakerhead, a new collaboration celebrating innovation and creativity. The five-day event in Calgary brought together arts and engineering sectors to build, compete and exhibit interactive works of art and entertainment. Beakerhead offered 70 events over five days, including free outdoor exhibits and street performances, ticketed events, a speaker and workshop series, a citywide open air museum called Beakernight, pop-up city structures, arts cars and "Sustainival", a green carnival and midway with rides and amusements powered by renewable energy sources such as vegetable oil and wind.

The collaboration between the department, Travel Alberta and Canadian Badlands Limited continued, and a three-year action plan for the region was prepared. Its focus is on the development of several new tourism products and the implementation of a spring 2014 marketing campaign. The ministry invested \$432,000 to support the innovative, collaborative tourism model led by Canadian Badlands Limited. The investment supports the development of themed touring routes, attractions, events and outdoor recreation.

To support the traveller experience, two free, self-guided tours of southern Alberta were developed to help travellers with three- or four-day getaways. The Canadian Badlands Circle Tour starts in Calgary and extends through various provincial heritage sites, including the Royal Tyrrell Museum of Palaeontology and the Brooks Aqueduct. Travelling south of Calgary, the Crown of the Continent Circle Tour routes through two important heritage attractions: Head-Smashed-In Buffalo Jump and Frank Slide Interpretive Centre. The route then continues into Blackfoot territory to explore cultural experiences and natural landscapes. The tours are a result of a collaborative effort between Travel Alberta, the Ministry of Culture,

Tourism Calgary and the Chinook Country Tourist Association, and provides relevant and engaging information for the traveller.

In 2014, the Reserve Alberta Parks contact centre was merged with the 1-800 ALBERTA call centre managed by the Ministry of Service Alberta. This merger resulted in significant cost savings and will allow agents at the centre to be cross-trained, offsetting wait times during peak periods between the two services. Callers will also receive more coordinated information relating to both campgrounds and tourism information, improving their vacation experiences.

Expanded air service introduces Albertans to new markets and international opportunities for work, travel and education. Direct and convenient air links to Alberta are crucial for increasing international tourism visitation. In May 2013, non-stop flights between Edmonton and New York City commenced, providing access to another global network of flights and new markets. A new agreement on air access between Canada and Mexico was signed in February 2014, allowing more direct Mexican flights to Canadian cities, beyond the current routes to Montreal and Toronto. Non-stop flights between Edmonton and Iceland also started in March 2014. This non-stop connection offered by Icelandair benefits the Edmonton region and the rest of Alberta, providing direct air access and shorter travel times from 22 points in Europe and Scandinavia through the Reykjavik gateway. This potentially equates to approximately 33,000 seats into Alberta. Edmonton International Airport also unveiled a new flight from Edmonton to Fort Worth International Airport in Dallas, beginning April 2014. This non-stop route also offers enhanced access to Central and South America. These new air services assist in opening new markets as part of the Building Alberta Plan, and create opportunities for tourism, trade and investment.

Visitor enjoyment of Alberta's scenic areas is improved through better access to public lands for tourism. The re-opening and the extension of the first leg of the Rocky Mountain Legacy Trail after the June 2013 flood damage was announced in September 2013. The new 4.4 kilometre trail from Banff Gates to the Canmore Visitor Information Centre is the result of a \$2 million investment by the provincial government, the towns of Canmore and Banff and the Municipal District of Bighorn. Visitors can cycle, run, hike or roller

ski along the scenic route, and it is the first step in a longer-term project which will see a new trailhead development at the Canmore Visitor Information Centre and the trail extended to the Canmore Nordic Provincial Park.

DID YOU KNOW?

Travel Alberta received an advertising gold award at the 57th annual Adrian Awards for its second video instalment of the (remember to breathe) campaign. The Adrian Awards, hosted by the Hospitality Sales and Marketing Association International, is one of the largest and most prestigious travel marketing competitions globally. This year's contest attracted more than 1,200 submissions for advertising, public relations and digital marketing in the travel industry.

Travel Alberta stewards the Alberta Provincial Tourism Brand and manages regional, national and international tourism marketing programs, services and activities. Its purpose is to keep Albertans travelling through Alberta and to drive tourism visitation and revenue for the province. Creating a compelling invitation to experience Alberta is an important strategy in marketing and growing tourism. The second phase of

Travel Alberta's successful Alberta Stories program released six new videos that were filmed throughout the province. These documentary-style videos showcase authentic Alberta activities and experiences. Videos were shared through traditional and social media channels, including Travel Alberta's

YouTube channel. Filming on the third phase of the Alberta Stories program was completed and released in spring 2014. By fall 2014, Travel Alberta will have 32 Alberta Stories accessible and available to industry partners through the multimedia library to help extend their marketing efforts.

Travel Alberta collaborated with the department to host a series of ongoing road shows throughout the province to connect with industry and incorporate input to the *Alberta's Tourism Framework*. More than 240 tourism industry operators attended the nine road shows held in spring 2013. The ministry also provided updates on the programs and services offered by the department, including how Alberta tourism operators can connect with their research, investment and development branches and better access visitor services. The ministry has organized these annual road shows throughout the province since 1999 working together with Alberta's tourism operators to grow tourism revenues.

In order to promote Alberta as a top destination and highlight the experiences that we have to offer, Travel Alberta partnered with the Los Angeles Kings to profile Alberta as a preferred travel destination to the targeted southern California market. The partnership featured signage inside the Staples Centre, and two different experiences outside of the arena: a three-hole Alberta golf course complete with sand trap, trees and grass; and an Alberta campsite complete with trees, grass, an 18-foot camper trailer, picnic table and fire pit.

Further work included Travel Alberta's Dino Dig in L.A. campaign, which received a bronze award at the 2013 Canadian Marketing Association Awards. Dino Dig in L.A., a promotion involving the bones of a full size dinosaur on a beach in Santa Monica, had a school group help uncover a replica of an Albertosaurus, one of the Royal Tyrrell Museum of Palaeontology's top palaeontologists, François Therrien, oversaw the day's activities and answered questions from spectators.

During the summer and winter of 2013, an innovative digital campaign, "Find Your Alberta", shared compelling Alberta stories. The Travel Alberta partnership with Expedia, Inc. featured hand-selected globetrotting travel bloggers who visited the province to create original travel stories, photographs and videos of vacation experiences with the content profiled on www.expedia.com alongside its booking engine. Social media audiences were also able to follow along on the Alberta visits, including to a festival in Edmonton, prospecting for fossils in Dinosaur Provincial Park and hiking the Rockies.

DID YOU KNOW?

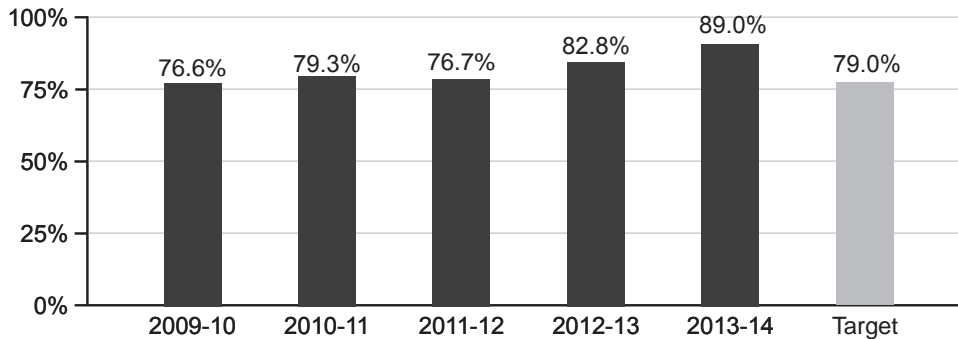
Alberta Stories have garnered more than 100,000 views on YouTube since October 2012, and have been showcased on a dedicated channel at The Fairmont Chateau Lake Louise, and The Fairmont Banff Springs since October 2013.

DID YOU KNOW?

Expedia Media Solutions recognized Travel Alberta with the 2013 North American Innovative Campaign of the Year award from Expedia Media Solutions. The North American Partner Awards are presented to original and ground-breaking campaigns in recognition of the exemplary innovation and success in digital marketing and advertising. Travel bloggers visited Alberta and produced video content around tourist destinations, which was featured online. On social media, more than 4.1 million impressions were delivered across Facebook, Twitter and Google+.

Performance Measures

1.a Percentage of tourism industry clients satisfied with tourism development services



Source: Tourism Division Client Satisfaction Survey

Description

This measure indicates the percentage of public and private sector tourism industry clients who were satisfied with their contact with the Tourism Division. The division provides a range of information and advisory resources for new and expanded tourism development projects throughout Alberta. Services are organized under three distinct program areas: resource management and development; destination development and product enhancement; and tourism business development and investment.

Results

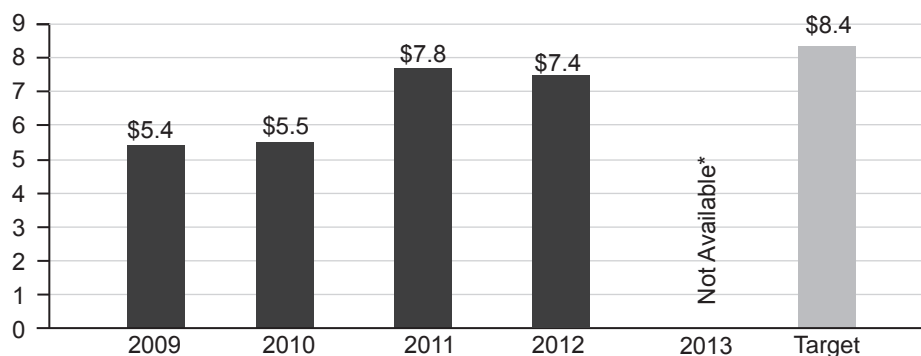
The result of 89.0 per cent was 10.0 per cent higher than the 2013-14 target and 6.2 per cent higher than the 2012-13 result.

Analysis

Client satisfaction is influenced by several factors such as the frequency of clients' contact and their varying needs, preferences and expectations. Clients often seek funding or investor/developer interest in their projects, which the ministry cannot guarantee. These exceptions result in different experiences and varying levels of satisfaction. In 2013-14, 85.9 per cent of clients responded they were satisfied with the information and advice they had been given, and 89.0 per cent thought the tourism development services were important in helping industry operators pursue tourism development opportunities.

In 2013-14, the ministry provided significant financial support for a range of festivals and events, contributing to the high result and continuing the recent increase in satisfaction levels with services. This included the inaugural Open Farm Days and Tour of Alberta, and the existing Lake Louise/Winter Start World Cup and several other festivals and events throughout Alberta, along with Collaborative Tourism Initiatives, led by the Alberta Culinary Tourism Alliance and Canadian Badlands Limited. Enhancements were also undertaken to the Tourism Highway Signage Program that feature the ministry covering renewal fees for attractions, and the Ministry of Transportation is providing subsidies for new attraction signs.

1.b Total tourism expenditures in Alberta (\$billion)



Source: Statistics Canada: Travel Survey of Residents of Canada and International Travel Survey, and Tourism, Parks and Recreation.

* Note: Measured in current dollars (\$billion) and includes expenditures made by residents and non-residents. In 2011, Statistics Canada revised the methodology for the Travel Survey of Residents of Canada that increased estimates of visits and expenditures, creating a break in the series. Results for 2011 and 2012 are not comparable with previous results. The 2013 result from Statistics Canada has not yet been released.

Description

This measure indicates the annual value of all tourism-related expenditures in Alberta. This includes expenditures made in Alberta by visitors from overseas, the United States, other Canadian provinces and Albertans.

Results

The 2013 result is not available, however the result in 2012 was \$7.4 billion, \$0.4 billion lower than the previous year.

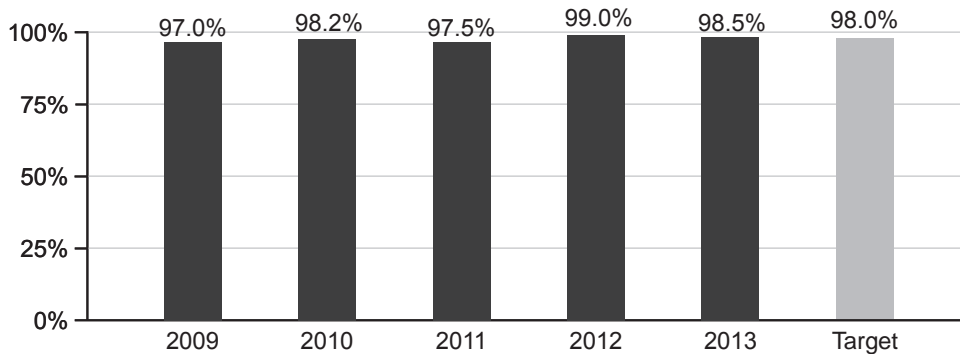
Analysis

The 2012 result displayed a decrease in overall tourism expenditures, driven mainly by a 9.2 decrease in expenditures from residents of Alberta travelling within Alberta, as reported through the recently revised Statistics Canada's Travel Survey of Residents of Canada.

No changes were made to the International Travel Survey, and 2012 saw growth in expenditures by Americans, Alberta's largest international tourism market, which increased by 9.9 per cent. Growth was also seen in expenditures by tourists from Asia which increased by approximately 20 per cent. Other tourism indicators for 2012 show tourism in Alberta remains strong. For example, in 2012, Calgary and Edmonton International Airports reported increases in the number of annual enplanements and deplanements; occupancy rates at accommodations in Alberta displayed growth in Edmonton, Calgary and at Alberta resorts.

The release of *Alberta's Tourism Framework* will help focus the tourism industry on preserving and enhancing the quality of Alberta's existing tourism experiences, creating new and enhanced tourism experiences, improving hospitality and growing or enhancing destination areas in Alberta. The framework will help achieve the goal for tourism in Alberta to be a \$10.3 billion industry by 2020.

1.c Percentage of clients satisfied with their overall experience at provincial visitor information centres



Source: Visitor Information Centre Satisfaction Survey

Description

This measure indicates the satisfaction of clients with their overall experience at provincial visitor information centres.

Results

The result of 98.5 per cent was 0.5 per cent higher than the 2013 target and 0.5 per cent lower than the 2012 result, but remains exceptionally high.

Analysis

Factors influencing results could include the age and condition of facilities, a client's prior experiences at other sites/venues and the level of staff training and knowledge of Alberta. Visitors were most satisfied with provincial visitor information centre staff in the following areas: being knowledgeable (98.3 per cent), doing everything to meet service needs (98.4 per cent), providing appropriate information/recommendations (98.2 per cent), being courteous (99.3 per cent), and going the extra mile to help (97.4 per cent).

Consistent, high-quality staff training, as well as good working conditions and effective teamwork, contribute to achieving and maintaining a high level of visitor satisfaction with 83.9 per cent of clients indicating that they would make or consider making another trip to or within Alberta because of information gained at the visitor information centre. The digital signage program provided visitors with provincial and Travel Alberta marketing videos, local events and weather to increase client satisfaction and help maximize their travel experience providing convenient, relevant and engaging information.

Wi-Fi service installation at all the provincial visitor information centres was completed in 2013. This service is free for visitors and gives travel counsellors the opportunity to use different devices that will aid in helping the visitor. Wi-Fi can be a reason for the visitor to stop at the visitor information centres and learn more about the province.

Goal Two

Linked to Core Business – Management of Alberta's parks system

The Alberta parks system provides opportunities for outdoor recreation and tourism and appreciation of Alberta's natural heritage

Overview

The ministry is responsible for the management of Alberta's parks system, which includes wilderness areas, ecological reserves, natural areas, heritage rangelands, provincial parks, wildland provincial parks, provincial recreation areas and Willmore Wilderness Park. The ministry manages more than 27,600 square kilometres of land to provide opportunities for outdoor recreation and nature-based tourism while ensuring our natural heritage is conserved for future generations. Interpretation and environmental education help to foster an understanding of Alberta's natural heritage and promote lifelong learning and stewardship. Significant additional lands (approximately 11,600 square kilometres) have been identified for future inclusion in the parks system through the *Land-use Framework* regional planning process for the Lower Athabasca Region. The ministry also maintains the Alberta Conservation Information Management System, which is a key part of the province's biodiversity database, and coordinates Alberta's involvement in the Canadian Heritage Rivers Program. The ministry also manages Alberta's online campground reservation system, www.Reserve.AlbertaParks.ca, that enables visitors to better plan their park experiences.

Results

The five-year review of the *Plan for Parks* is currently underway, ensuring Alberta's parks continue to be sustained and enjoyed. The plan promotes opportunities for recreation and enhanced access and visitor experience in provincial parks. It also includes a focus on upgrading, restoring, and expanding park facilities as well as conserving natural landscapes.

Immigration continues to grow Alberta's population and introducing new Canadians to the parks system is an important strategy to enable Albertans of all ages, backgrounds and abilities to connect with nature. The ministry and Edmonton area immigration serving agencies collaborated to introduce new immigrants to the Canadian pastime of camping. In August 2013, the program took 41 new immigrants from the Mennonite Centre for Newcomers to William A. Switzer Provincial Park. The new campers rode in fur-trading era voyageur canoes, lit fires with flint and stone, baked bannock over a fire and learned about bear safety.

DID YOU KNOW?

The Alberta Conservation Information Management System is affiliated with a north and south American biodiversity network that provides credible scientific information, tools and expertise to guide conservation planning. Information housed in the system is a key input to various planning initiatives including the *Land-use Framework*, regional park planning and park management plans.

DID YOU KNOW?

Saskatoon Island Provincial Park is a designated Federal Migratory Bird Sanctuary. The Park's annual Swan Festival in April celebrates the return of the rare trumpeter swan, and includes various family activities and swan-viewing guided bus tours.

Additional work included the ministry participating in the meeting of the Federal-Provincial-Territorial Ministers Responsible for Parks in February 2014, organized by the Canadian Parks Council. The Minister of Tourism, Parks and Recreation co-chaired the meeting with the Federal Minister of the Environment and discussed the recently released council report titled *Connecting Canadians to Nature – an Investment in the Well Being of our Citizens*. The report identified the importance of nature as Canada becomes increasingly urban. The ministers committed to innovate, diversify and adapt parks to meet the changing needs of families. They committed to work with various sectors like municipalities, school teachers, health practitioners, business leaders, community builders and tourism operators, supporting experiences in nature that enhance Canadians' collective health, prosperity, growth and productivity. A commitment was made to collaborate in developing a national passport to parks. This passport would provide visitors with a booklet including pre-visit information, maps and photographs and much like a traditional passport, visitors could collect commemorative passport stamps. Other commitments include building on existing digital tools making it easier for Canadians to visit parks and expand programs such as learn-to-camp activities. These commitments align with the *Plan for Parks* inclusion strategy that aims to remove barriers and create opportunities for, and invite full participation of, all Albertans in Alberta's provincial parks.

DID YOU KNOW?

Seven individuals and two organizations were recognized in September 2013 for their volunteerism, stewardship and hospitality at the Alberta Parks Volunteer Awards ceremony in Pincher Creek. Award nominations were submitted by Albertans, parks staff, volunteers and partners.

Partnering with communities can lead to opportunities for tourism growth and increased opportunities for Albertans to engage with nature through provincial parks. An example is the innovative parks program at Writing-On-Stone Provincial Park. The interpretative program gives visitors an authentic Blackfoot cultural experience, and provides leadership development opportunities for First Nations staff. Ministry staff worked with the Ministry of Aboriginal Relations and Canadian Badlands

Limited to develop the First Nations Interpretations Internship program. In the summer of 2013, two Blackfoot interns were hired at the park to share their culture and stories with visitors, and they interacted with more than 4,000 visitors over the summer. The program won gold in the Federal-Provincial-Territorial category of the Institute of Public Administration of Canada/Deloitte Public Sector Leadership Awards. These awards recognize organizations that have demonstrated outstanding leadership to improve Canada's public policy and management.

On June 21, 2013, Writing-on-Stone Provincial Park/Áísínai'pi National Historic Site hosted a National Aboriginal Day celebration. The popular special event included Blackfoot cultural presentations, traditional foods, guided tours, a drumming, singing and dancing performance as well as interpretation venue about the Blackfoot culture.

DID YOU KNOW?

Over 8,000 youth have participated in the Environmental Education Program with Friends of Kananaskis Country and the Elbow River Watershed Partnership.

Learning and stewardship initiatives are an important way to connect Albertans with the Alberta parks system. The David Thompson Corridor Visitor Services Program, a partnership between Suncor Energy and the ministry,

received the national Social Performance Award from the Canadian Association of Petroleum Producers for its environmental educational and interpretive programs. The David Thompson Corridor includes a group of sites west of Red Deer to the Rocky Mountains. The program features the delivery of environmental educational programs, hands-on experiential learning programs for the public and numerous partnerships in support of the Alberta parks system.

First celebrated in 1990, Parks Day is commemorated coast to coast in July each year, where visitors experience how parks contribute to our health and well-being. Alberta celebrated Parks Day on July 20, with 25 provincial parks and recreation areas hosting events. More than 5,000 visitors attended events over the Parks Day weekend and Albertans experienced a wide variety of activities, including: canoeing, scavenger hunts, nature displays, amphitheatre programs, sandcastle competitions and campfire snacks. Park visitors were also invited to share their memories by uploading photos and stories to the Alberta Parks Facebook page or @Albertaparks on Twitter.

Implementation of the Science Strategy, a key component of the *Plan for Parks*, continues and the ministry held regional workshops to identify research priorities. In addition, the ministry initiated the development of a framework to increase the capacity to address social science research needs. Researchers from Alberta, across Canada and the United Kingdom conduct studies in Alberta's parks. In 2013-14, 14 collaborations with research institutions were either initiated or continued, with these outcomes helping to inform evidence-based decision making. One hundred and eighty two research permits were approved from researchers associated with 81 different institutions. Enhancements were also made to the ministry online permitting and clearance system to facilitate applications and reporting purposes.

In 2013-14, the ministry continued to make progress enhancing access to nature through outdoor recreation to improve the visitor experience within the provincial park system. Enhancements completed include a new boat launch and 10 new full service sites at Pigeon Lake Provincial Park; new floating EZ Dock systems at Carson Pegasus and Crimson Lake provincial parks and Goldeye Lake Provincial Recreation Area; replacement of the main snowmaking system compressor at the Canmore Nordic Centre; rebuilding the ATV trails and boardwalk at Lakeland Provincial Recreation Area; and upgrading certain campsites to full service sites for seasonal camping at Cold Lake Provincial Park.

The ministry has also been actively upgrading, restoring and enhancing park facilities as directed by its three-year and 10-year capital plans. Recent work includes the electrification of camp sites at Moonshine Lake, Pigeon Lake, Cold Lake, Pierre Greys Lakes and Jarvis Bay provincial parks; campground upgrades at Pigeon Lake, Crimson Lake, Pembina River, Hilliard's Bay and Peter Lougheed provincial parks and Cypress Hills Interprovincial Park; addition of three yurts at Pigeon Lake Provincial Park; installation of a shelter building and vault toilet at Lois Hole Centennial Provincial Park; initiating the replacement of the old wading pool with a spray park at Vermilion Provincial Park; construction of backcountry cabins at Sir Winston Churchill Provincial Park and access and parking upgrades to Rock Lake, Notikewin, Gregoire Lake and Pigeon Lake provincial parks. Water and sewer system upgrades were also completed at Whitney Lake, Beauvais Lake, Dinosaur, Kinbrook Island, Peter Lougheed, Fish Creek, Bow Valley provincial parks, Cypress Hills Interprovincial Park and at William Watson Lodge and Oldman Dam Provincial Recreation Area.

In 2013-14, www.Reserve.AlbertaParks.ca, the online campground reservation service, added three campgrounds and approximately 450 campsites. This brought the inventory to over 7,400 campsites offering

reservations, helping campers to pick their experience and amenities. Three group camping areas were also added as well as the launch of reservations for 17 comfort camping units in five campgrounds. In 2013-14, over 119,600 online reservations were made by approximately 300,000 account holders on 63 provincial campgrounds and 146 group camping areas.

DID YOU KNOW?

The ministry is collaborating with industry in the management of the Dillon River area, identified through the Lower Athabasca Regional Plan and proposed as a wildland park. This new collaboration seeks to improve habitat for woodland caribou by the restoring previously disturbed habitat.

Regional planning under the *Land-use Framework* is a government priority. Work preparing sites for designation has been ongoing since the approval of the Lower Athabasca Regional Plan. The Lower Athabasca Regional Plan made commitments for the government to establish five wildland provincial parks and nine provincial recreation areas. A draft South Saskatchewan Regional Plan was made available for feedback from Albertans in October 2013. The draft plan proposes new conservation areas, establishes environmental limits, protects the water supply and provides

clarity about land-use and access. Albertans were invited to provide feedback online or by attending community consultation sessions. The proposal included 30 new and expanded recreation and conservation areas including: four wildland provincial park expansions, three new wildland provincial parks, one new heritage rangeland, nine provincial park expansions, one provincial recreation area expansion and two new provincial recreation areas.

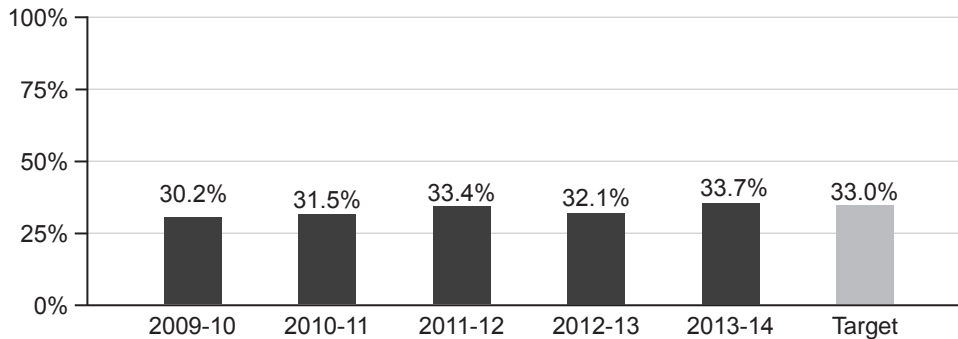
DID YOU KNOW?

Users subscribed to ParkNews receive automatic updates about opportunities for public participation on proposed park projects (www.albertaparks.ca/albertaparksca/about-us/public-consultations.aspx). As of January 2014, there were 1,071 users.

The ministry engaged the public on several proposals to guide decisions for managing the parks system. Public consultations were completed on several proposals including expansion of the Kinosoo Ridge Snow Resort within French Bay Provincial Recreation Area, rezoning a portion of Hilliard's Bay Provincial Park, and expanding the Pinehurst campground within Lakeland Provincial Recreation Area.

Performance Measure

2.a Percentage of adult Albertans who visited a provincial park in the last 12 months



Source: Tourism, Parks and Recreation Survey of Albertans

Description

This measure indicates the percentage of adult Albertans who visited a provincial park in the past 12 months, not including any visits to neighbourhood, city, regional or national parks.

Results

The result of 33.7 per cent was 0.7 per cent higher than the 2013-14 target and 1.6 per cent higher than the 2012-13 result.

Analysis

Results indicate that approximately one-third of adult Albertans visit a provincial park annually. While the proportion of Albertans visiting provincial parks has remained broadly stable over the last five years, the overall number of visits has increased as the province's population continues to grow. For example, from 2009-10 to 2013-14 the adult population of Alberta increased by approximately 290,000. With one third of adult Albertans visiting parks at least once, the actual number of visitors would have increased by approximately 96,000 during this period. Moreover, many may have visited more than once and with families.

Results are influenced by changing population characteristics, economic conditions, weather and public awareness of facilities and services. In 2013-14, the majority of adult Albertans indicated that provincial parks had good facilities and services (84.7 per cent), are safe and secure (85.4 per cent), are well managed and maintained (83.4 per cent), provided a full range of activities for the family (77.2 per cent) and were good value for their holiday dollars (78.0 per cent). About 71.8 per cent of respondents indicated they would like to visit a provincial park in the next 12 months.

The ministry is continuing to encourage Albertans to get outdoors, connect with nature and explore provincial parks. For example, in July 2013, to celebrate Parks Day and to give Albertans a taste of the programs offered throughout the summer, the ministry hosted events at approximately 25 provincial parks that helped Albertans explore some of the diverse and breathtaking parks landscapes. In February 2014, during the Family Day weekend, the ministry encouraged Albertans to explore provincial parks by hosting fun and educational activities at 10 different locations across the province for the whole family to enjoy.

Goal Three

Linked to Core Business – Recreation, active living and sport

Albertans enjoy a high quality of life, improved health and wellness, strong communities and personal excellence and fulfillment through recreation, active living and sport

Overview

The ministry provides leadership through strategic policy development, as well as planning and research coordination. Through the Alberta Sport, Recreation, Parks and Wildlife Foundation, now operating as the Alberta Sport Connection, it provides consultative services and financial assistance to encourage active lifestyles, facilitate participation in recreation activity, and to support Albertans of all ages to participate and strive for excellence in sport.

Results

Investment in an Alberta After School Recreation Program will provide physical, social, and developmental opportunities for children and youth and significant benefit to families and the community. After school recreation refers to child or youth recreation-based programming offered between the hours of 3 p.m. to 6 p.m. Monday to Friday, during the school year. These hours are commonly used to describe the time after school when many children are unsupervised. Children that have access to recreation opportunities in the after school time period tend to be less likely to get involved in negative behaviours, have higher self-esteem, are more active and healthy, and generally have more positive academic outcomes. Recognizing that managing the after school time period is a

DID YOU KNOW?

More than 9,270 Aboriginal youth have participated in the Alberta's Future Leaders summer recreation programs.

complex issue that cannot be solved by individual programs or investment, the ministry is examining how targeted resources and community partnerships can be leveraged to enhance after school recreation opportunities for all Alberta children and develop a provincial after school recreation strategy. The ministry is leading a collaborative cross-ministry effort to

ensure alignment of the strategy with key government policies. As a next step, a stakeholder advisory committee will work with recreation partners to explore best practices from existing after school programs and services and identify gaps in service delivery.

In January 2014, the ministry supported the Ever Active Schools Pre-Conference, bringing practitioners from health, education and recreation together to share their challenges and successes around the after school time period. A total of 78 people from 51 organizations participated in the event sharing information that will be used to advance the after school recreation strategy.

The ministry is working closely with partners across Canada leveraging national resources and developing an Alberta After School portal on the Canadian Active After School Partnership website to

act as a catalyst for collective activities.

To emphasize the importance of the *Active Alberta* policy and sport in the province, the ministry underwent organizational changes. The department will focus on advancing *Active Alberta* through work in recreation, physical activity and policy development. The Alberta Sport, Recreation, Parks and Wildlife Foundation now has a single focus on amateur sport, with the soon to be completed Alberta Sport Plan guiding its work. To reflect this focus, the foundation has changed its operating name to Alberta Sport Connection.

DID YOU KNOW?

The Alberta Sport, Recreation, Parks and Wildlife Foundation, now operating as the Alberta Sport Connection, provided approximately \$8.3 million for annual funding to 104 provincial sport and recreation associations. Through its donation fund, provincial associations received and dispersed over \$952,000 in funds from private and corporate donors. Alberta Sport Connection also provided nearly \$43,000 to support coaches and officials to further their coaching and official training.

The renewed Alberta Sport Plan will guide the ministry's decisions about amateur sport in the province for the next 10 years. In 2013-14, significant progress was made renewing the plan. An online survey asked Albertans to make choices about how they would allocate support to different areas of sport. Results shaped subsequent steps in the consultation, including a Sport Forum in November and a series of regional meetings with representatives from across the broad spectrum of sport. Feedback received informed the draft Alberta Sport Plan that was made available for review by all Albertans in May 2014. Guiding the plan consultation throughout the process was the Alberta Sport Plan Advisory Committee, comprised of representatives from areas including other government ministries, community recreation, provincial sports, sport development and high performance sport.

Additional work to support recreation and sport at the national level was done at the Federal-Provincial-Territorial Ministers of Sport, Physical Activity and Recreation meeting in Sherbrooke, Quebec. Ministers were provided an update on the development of a National Recreation Agenda and on initiatives associated with Active Canada 20/20, a strategy developed by Canada's physical activity stakeholder community to increase physical activity and reduce sedentary behaviours among Canadians. The ministers reaffirmed support to the Coaching Association of Canada by approving refinements to the mandate agreement of the association. This coaching program provides Canadian coaches with essential skills to enhance sport experiences for all athletes and strengthen sport development. The ministers also discussed progress achieved on the Canadian Sport Policy, which aims to have a dynamic and innovative culture in the promotion of sports and celebrating participation and excellence.

To motivate Albertans to achieve a higher level of physical fitness through more active participation in sport, the ministry supported the Alberta 55 Plus Summer Games and Alberta Winter Games. The 55 Plus Games were hosted in Barrhead-Westlock in July 2013. Approximately 1,200 participants, aged 55 years and older, and 187 non-participant guests attended the event. Participants at the Alberta 55 Plus Games

DID YOU KNOW?

The 2014 Alberta Winter Games advisory group included a sustainability committee. Using carbon offsets, Towards Zero Waste stations, solar panels installed on Banff Community High school and having no single-serve bottles of water for sale, the provincial sporting event was one of the greenest yet.

represent eight zones across the province, and competed in events including athletics, cycling, golf, swimming, slo-pitch and tennis. The Alberta Winter Games were held in the Banff and Canmore region in February 2014 where approximately 2,400 athletes, coaches, chaperones and officials participated in 19 sports. Approximately 2,000 volunteers provided support to the staging of the games. The Alberta winter and summer games are held every two years, with the 2014 Summer Games scheduled for July 2014 in Airdrie.

In August 2013, more than 350 participants from 53 communities represented Alberta at the 2013 Canada Summer Games in Sherbrooke, Quebec. Team Alberta finished fourth in the medal standings with 118 medals, an increase over the 76 medals won at the last games, including 34 gold, 42 silver and 42 bronze. This year's Team Alberta presented one of the largest and most talented teams Alberta has sent to the games. In addition, 77 coaches and managers, along with 19 mission staff, provided support and leadership. Alberta Sport Connection coordinated Team Alberta's involvement and provided funding towards team training, the selection of teams and the operations of Team Alberta.

In the months leading up to the 2014 Olympic Games in Sochi, the ministry continued to support sport tourism, and current and future athletes, with several World Cup events being held in Alberta: the International Blind Sports Federation World Cup Bobsleigh Skeleton, Essent International Skating Union

DID YOU KNOW?

Canada was represented at the Sochi Winter Olympics by 55 athletes from Alberta, the second largest contingent of Canadian athletes.

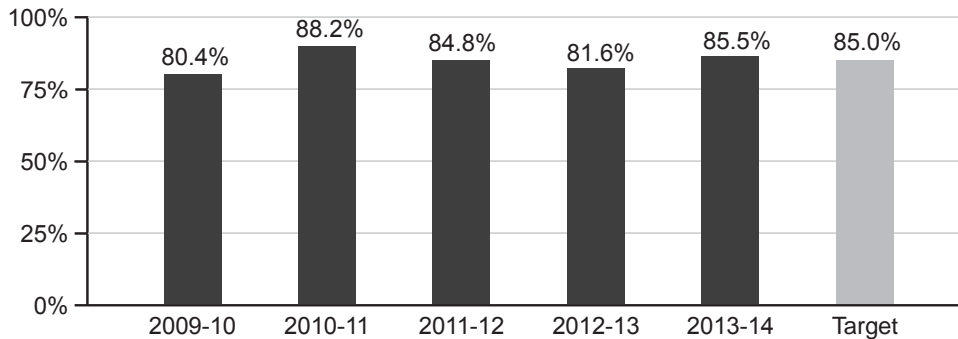
Long Track Speed Skating, the Nakiska Audi International Ski Federation Ski Cross World Cup, the International Paralympic Committee Nordic Skiing Alberta World Cup, the Lake Louise Snowboard Cross World Cup and 2014 International Ski Federation Freestyle Ski World Cup, Men's and Women's World Cup Downhill and Super Giant Slalom in Lake Louise.

To support and encourage healthy lifestyles and active living through responsible involvement in outdoor recreation, work continued on the development of a series of regional trail maps. In 2013-14, the Battle River trail map was distributed, although work on the southern Rockies trail map was delayed due to flooding in southern Alberta. Many trails were damaged and some may be beyond repair and a new inventory process was undertaken prior to further map development.

Also in 2013-14, the ministry provided support for the Lower Athabasca Regional Plan's implementation through the development of the Lower Athabasca Regional Trail System Plan, Public Land Areas for Recreation and Tourism, Lakeland County and Parks Regional plans. Information about the type and location of recreation trails were gathered to support the Public Land Areas for Recreation and Tourism work, confirming the approved trails in existence and establishing a starting basis for the creation of the Lower Athabasca Regional Trail System Plan. The Athabasca River Study, a water route inventory and Recreation and Tourism Feature Opportunity Study of the Lower Athabasca has been completed and will provide information for the water route (trail) on the Lower Athabasca River, a component of the Lower Athabasca Regional Trail System Plan. The Lower Athabasca River Water Route is a component of the Trans Canada Trail, planned for completion across Canada in July 2017.

Performance Measures

3.a Percentage of adult Albertans who participated in recreational activities and sport



Source: Tourism, Parks and Recreation Survey of Albertans

Description

This measure indicates adult Albertans' participation in recreational activities and sport in the past year. Albertans were asked if they had participated in activities such as walking, bicycling, skiing, golfing, skating, swimming and amateur sports.

Results

The result of 85.5 per cent was 0.5 per cent higher than the 2013-14 target and 3.9 per cent higher than the 2012-13 result.

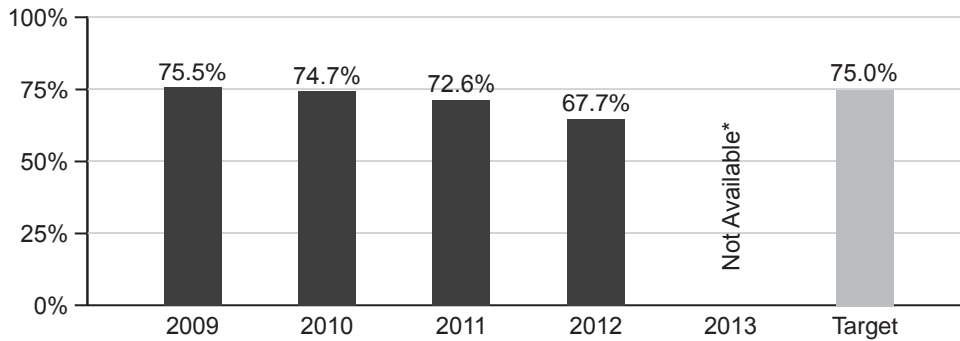
Analysis

In 2013-14, approximately eight out of every 10 Albertans participated in recreational activities. Of those, 59.0 per cent undertook physical activity four or more times a week (an increase of 6.8 per cent from 2012-13) with 73.1 per cent indicating that the duration of physical activity was 30 minutes or more each time. When asked about their physical activity, 57.2 per cent of respondents indicated that they would like to increase their level of physical activity over the next 12 months (an increase of 3.1 per cent from 2012-13) with 42.5 per cent indicating it was not needed. The main motivators reported to increase physical activity were more free time or less work (28.0 per cent) and increased motivation or enthusiasm (18.5 per cent).

Several challenges exist with engaging adult Albertans in physical activity. The amount of time available for recreation is an issue, as on average, Albertans work among the most hours in Canada. Time spent watching television, playing video games and on the Internet also significantly contributes to physical inactivity and a sedentary lifestyle. Demographic aging also presents challenges as there is a trend of decreased participation as people age.

The ministry is continuing to partner with active living and sport organizations who provide significant opportunities for Albertans in communities to enjoy active, healthy lifestyles. The ministry also supports programs that promote active, healthy living in communities through events like Winter Walk Day and the Get Outdoors weekend. The ministry also provides Alberta's athletes opportunities to be their best and compete in a multi-sport environment like the 2013 Alberta 55 Plus Summer Games and Alberta Winter Games.

3.b Percentage of Albertans aged 12-19 who are active or moderately active in their leisure time



Source: Statistics Canada: Canadian Community Health Survey

* The Canadian Community Health Survey used for monitoring the physical activity levels of youth is released by Statistics Canada in June. An online update of this measure will be posted when the information is available.

Description

This measure indicates the percentage of Albertans aged 12 to 19 years that are active or moderately active in their leisure time. Albertans were asked if they had participated in a recreational activity such as walking or riding a bike. The result is based on a combination of questions related to the type, frequency and duration of each of the identified activities.

Results

An online update of this measure will be posted when the information is available.

Financial Summary

Financial Analysis (millions of dollars)

RESULTS OF OPERATIONS

For the Year Ending March 31, 2014
2013-14 Financial Analysis

| | Constructed Budget | Actual | Difference | Variance Explanation |
|--------------------|-----------------------|---------|------------|--|
| Total Revenue | \$19.5 | \$22.3 | \$2.8 | Increase in collection of fees and premiums in parks mainly due to the assumption of provincial parks run by third party operators. Additionally, there were higher than projected revenues within Travel Alberta generated from additional industry partnerships and conferences. |
| Expenses Operating | \$180.4 | \$182.1 | (\$1.7) | Increase in expenditures were mainly due to the assumption of parks previously run by third party operators. The additional cost of operating these parks was offset by the increase in revenues generated within these parks. |
| Capital Investment | \$18.3 | \$18.3 | - | |
| Total Expenses | \$198.7 | \$200.4 | (\$1.7) | |

Revenue Highlights (millions of dollars)

| | 2013-14 Constructed Budget | 2013-14 Actual | 2012-13 Actual |
|---|---|---------------------------|---------------------------|
| Transfers from the Government of Canada | \$0.4 | \$0.8 | \$0.6 |
| Investment Income | \$0.7 | \$0.6 | \$1.0 |
| Premiums, Fees and Licences | \$12.5 | \$14.7 | \$12.4 |
| Other Revenue | \$5.9 | \$6.2 | \$6.2 |
| Total Revenue | \$19.5 | \$22.3 | \$20.2 |

Total Revenue for the ministry in 2013-14 was \$22.3 million which is an increase of \$2.1 million from the previous fiscal year.

Premiums, Fees and Licences increased over \$2 million from the prior year mainly due to increased collections in provincial parks due to the assumption of provincial parks previously run by third party operators. This revenue was offset by the expenditures required to operate these parks within the department.

The ministry's major source of revenue is from provincial park operations generated through Premiums, Fees and Licences (e.g., campground fees). The Alberta Sport, Recreation, Parks and Wildlife Foundation, now operating as the Alberta Sport Connection, and Travel Alberta are also able to generate additional funds through donations, sponsorships and Investment Income.

Expense Highlights (millions of dollars)

| | 2013-14 Constructed Budget | 2013-14 Actual | 2012-13 Actual |
|---------------------------------|---|---------------------------|---------------------------|
| Tourism | \$77.1 | \$75.3 | \$77.1 |
| Parks | \$69.0 | \$71.9 | \$70.5 |
| Recreation and Sport | \$26.6 | \$25.4 | \$27.8 |
| Ministry Support Services | \$7.7 | \$7.4 | \$7.2 |
| 2013 Alberta Flooding | | \$2.1 | |
| Total Operating Expenses | \$180.4 | \$182.1 | \$182.6 |

Total Operating Expenses, including amortization, for the ministry in 2013-14 was \$182.1 million, a decrease of \$0.5 million from the previous year.

The department, Travel Alberta, and the Alberta Sport Connection, had planned for decreased spending in the 2013-14 fiscal year. These decreases included various reductions in provincial parks, program reductions in the Alberta Sport Connection (Recreation and Sport), and reduced spending in Travel Alberta (Tourism) compared to the 2012-13 temporary increase in investment for global marketing, used to build upon the success and positive momentum from the recent brand launch.

By the end of the 2013-14 fiscal year there was additional spending in the department mainly due to the assumption of provincial parks previously run by third party operators. The additional cost of operating these parks was offset by the increase in revenues generated.

The ministry also incurred \$2.1 million of unbudgeted operating expenditures in response to the June 2013 flooding. These expenditures consisted mainly of emergency response and incremental expenses in provincial parks and assistance to the tourism industry provided by Travel Alberta. These expenses were partially offset by less than anticipated spending in other programs.

Capital Investment

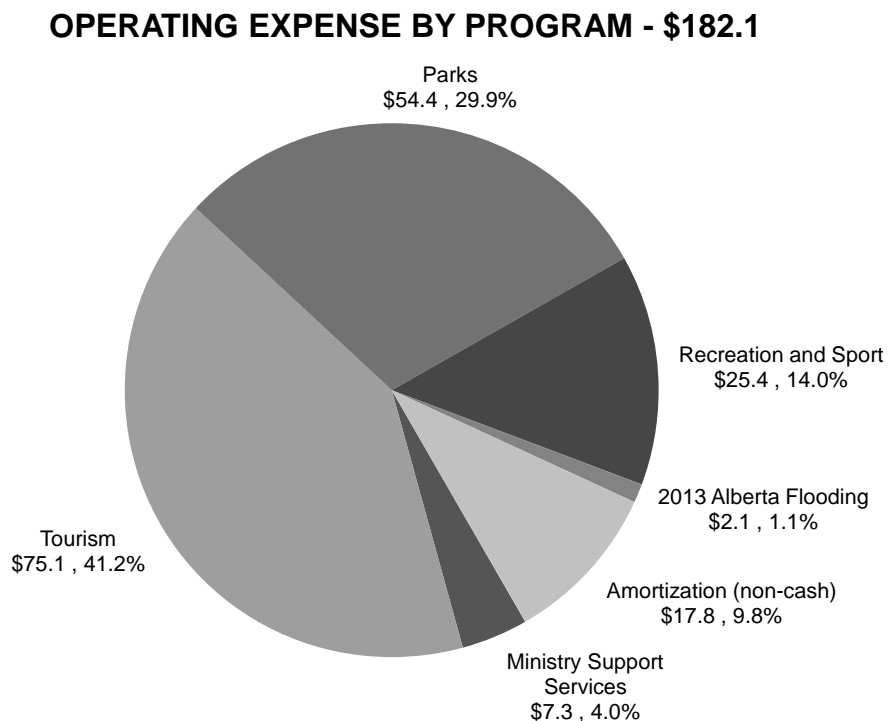
The ministry also spent a total of \$18.3 million for capital investment. The majority of this investment included \$16.4 million for continued capital maintenance and renewal of parks infrastructure across the province and \$1.2 million for the expansion and redesign of the Canmore provincial visitor information centre parking lot.

The remaining \$0.7 million of capital investment included \$0.4 million of flood-related expenditures, a \$0.2 million land donation within the Alberta Sport Connection, and approximately \$0.1 million for equipment purchases within Travel Alberta.

2013 Flooding

In addition to the \$2.1 million and \$0.4 million of operating and capital expenses, the ministry transferred over \$4 million of expenses to the Ministry of Municipal Affairs as part of the Disaster Recovery program in 2013-14.

Ministry Expense by Program (millions of dollars)



The ministry spent \$54.4 million (29.9 per cent of funding) on operations and management of the Alberta provincial parks system. Expenses to develop Alberta as a tourist destination, developing tourism products and marketing the province through Travel Alberta were \$75.1 million (41.2 per cent). The Recreation and Sport program spent \$25.4 million (14.0 per cent) to promote healthy and active lifestyles. The remainder of the ministry's expenses went to support services of \$7.3 million (4.0 per cent) to operate the overall ministry and for flood related expenditures of \$2.1 million (1.1 per cent).

In addition, the ministry incurred \$17.8 million of non-cash amortization expense, including \$17.5 million of amortization incurred within the Parks program.

Financial Information

INDEX OF FINANCIAL STATEMENTS

| | |
|--|-----|
| Ministry of Tourism, Parks and Recreation | 37 |
| Department of Tourism, Parks and Recreation | 65 |
| Travel Alberta | 95 |
| Alberta Sport, Recreation, Parks and Wildlife Foundation | 115 |

Ministry of Tourism, Parks and Recreation

Consolidated Financial Statements
March 31, 2014

**Ministry of Tourism, Parks and Recreation
Consolidated Financial Statements
March 31, 2014**

Independent Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule 1 – Revenues

Schedule 2 – Credit or Recovery

Schedule 3 – Expenses – Directly Incurred Detailed by Object

Schedule 4 – Budget

Schedule 5 – Related Party Transactions

Schedule 6 – Allocated Costs

Schedule 7 – Tangible Capital Assets

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of Ministry of Tourism, Parks and Recreation, which comprise the consolidated statement of financial position as at March 31, 2014, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Tourism, Parks and Recreation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 3, 2014

Edmonton, Alberta

Ministry of Tourism, Parks and Recreation
Consolidated Statement of Operations
Year ended March 31
(in thousands)

| | <u>2014</u> | | <u>2013</u> |
|---|---------------------------------------|---------------------|---------------------|
| | Constructed Budget (Schedule 4) | Actual | Actual |
| Revenues (Schedules 1 and 2) | | | |
| Government Transfers | | | |
| Federal Government Grants | \$ 393 | \$ 806 | \$ 673 |
| Investment Income | 675 | 564 | 954 |
| Premiums, Fees and Licences | 12,466 | 14,732 | 12,449 |
| Other Revenue | 5,947 | 6,202 | 6,168 |
| | <u>19,481</u> | <u>22,304</u> | <u>20,244</u> |
| Expenses – Directly Incurred (Note 2(b)) | | | |
| Program (Schedules 3 and 6) | | | |
| Ministry Support Services | 7,657 | 7,434 | 7,225 |
| Tourism | 77,065 | 75,323 | 77,106 |
| Parks | 69,038 | 71,883 | 70,440 |
| Recreation and Sport | 26,620 | 25,429 | 27,789 |
| 2013 Alberta Flooding | - | 2,064 | - |
| | <u>180,380</u> | <u>182,133</u> | <u>182,560</u> |
| Net Operating Results | <u>\$ (160,899)</u> | <u>\$ (159,829)</u> | <u>\$ (162,316)</u> |

The accompanying notes and schedules are part of these consolidated financial statements.

Ministry of Tourism, Parks and Recreation
Consolidated Statement of Financial Position
As at March 31
(in thousands)

| | 2014 | 2013 |
|--|-------------|-------------|
| Assets | | |
| Cash and Cash Equivalents (Note 3) | \$ 15,236 | \$ 17,205 |
| Accounts Receivable, Inventories, and Prepaid Expenses (Note 4) | 1,015 | 1,258 |
| Endowment Restricted Cash (Note 6) | 443 | 426 |
| Tangible Capital Assets (Schedule 7) | 387,985 | 387,750 |
| | \$ 404,679 | \$ 406,639 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 20,704 | \$ 21,612 |
| Deferred Revenue (Note 5) | 7,510 | 7,226 |
| | 28,214 | 28,838 |
| Net Assets | | |
| Net Assets Excluding Endowments | 377,233 | 386,357 |
| Endowments (Note 6) | 568 | 564 |
| Net Asset at Beginning of Year | 377,801 | 386,921 |
| Net Operating Results | (159,829) | (162,316) |
| Net Financing Provided from General Revenues | 158,493 | 153,196 |
| Net Assets at End of Year | 376,465 | 377,801 |
| | \$ 404,679 | \$ 406,639 |

Contractual Obligations (Note 7)
Contingent Liabilities (Note 8)

The accompanying notes and schedules are part of these consolidated financial statements.

Ministry of Tourism, Parks and Recreation
Consolidated Statement of Cash Flows
Year ended March 31
(in thousands)

| | 2014 | 2013 |
|--|--------------|--------------|
| Operating Transactions | | |
| Net Operating Results | \$ (159,829) | \$ (162,316) |
| Non-cash Items Included in Net Operating Results | | |
| Amortization | 17,850 | 17,444 |
| Deferred Capital Contributions Recognized as Revenue | (291) | (234) |
| Loss on Disposal of Tangible Capital Assets | 201 | 488 |
| Valuation Adjustments | (14) | 191 |
| | (142,083) | (144,427) |
| Decrease (Increase) in Accounts Receivable, Inventories, and Prepaid Expenses | 243 | (374) |
| (Decrease) Increase in Accounts Payable and Accrued Liabilities | (907) | 5,624 |
| Unearned Revenue Received/Receivable | 575 | 342 |
| | (142,172) | (138,835) |
| Capital Transactions | | |
| Acquisition of Tangible Capital Assets | (18,271) | (14,290) |
| Transfers of Tangible Capital Assets | (3) | (2,715) |
| | (18,274) | (17,005) |
| Financing Transactions | | |
| Endowments Contributions | 1 | - |
| Net Financing Provided from General Revenues | 158,493 | 153,196 |
| | 158,494 | 153,196 |
| Decrease in Cash and Cash Equivalents | (1,952) | (2,644) |
| Cash and Cash Equivalents at Beginning of Year | 17,631 | 20,275 |
| Cash and Cash Equivalents at End of Year | \$ 15,679 | \$ 17,631 |

The accompanying notes and schedules are part of these consolidated financial statements.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 1 Authority and Purpose

The Minister of Tourism, Parks and Recreation has, by the *Government Organization Act* and its regulations, been designated as responsible for various Acts. To fulfill these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Tourism, Parks and Recreation (Ministry).

The purpose of the Ministry is to enhance and preserve the quality of life for Albertans. This is done by:

- managing Alberta's provincial parks and protected areas,
- promoting recreational and sport opportunities, and
- facilitating tourism marketing and development.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

The reporting entity is the Ministry of Tourism, Parks and Recreation and for which the Minister of Tourism, Parks, and Recreation is accountable. The *Fiscal Management Act* defines a Ministry as including the department and any provincial agency and crown-controlled organization for which the Minister is accountable.

These consolidated financial statements include the accounts of the following organizations:

| <u>Organization</u> | <u>Authority</u> |
|---|---|
| Department of Tourism, Parks and Recreation | <i>Government Organization Act</i> |
| Alberta Sport, Recreation, Parks and Wildlife Foundation (Foundation) | <i>Alberta Sport, Recreation, Parks and Wildlife Foundation Act</i> |
| Travel Alberta (Corporation) | <i>Travel Alberta Act</i> |

All ministries of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of ministries are deposited into the Fund and all cash disbursements made by the ministries are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Consolidation

The accounts of the organizations listed in Note 2(a) above have been consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

(c) Basis of Financial Reporting

Revenue Accounting Policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Donations and Non-government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to the Ministry if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the Ministry's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Ministry complies with its communicated use.

In-kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Ministry, the value of their services are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer or the stipulations together with the Ministry's actions and communications as to the use of transfers create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the Ministry is eligible to receive the funds.

Grants and Donations for Land

The Ministry records transfers and donations to buy land as a liability when received and as revenue when the Ministry buys the land. The Ministry records in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the Ministry cannot determine the fair value, it records such in-kind contributions at nominal value.

Endowments

Donations, government transfers, and non-government contributions that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are also recognized as a direct increase and decrease respectively in endowment net assets when received or receivable.

Capital Contributions

Restricted capital contributions are recognized as deferred revenue when received and recognized as revenue over the useful life of the acquired or constructed tangible capital assets.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual Credit or Recovery amounts exceed budget, the Ministry may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's Credit or Recovery Initiatives.

Investment Income

Investment income includes interest income and is recognized as revenue is earned.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for the current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime and environmental obligations.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

Expenses (continued)

Incurring by Others

Services contributed by other entities in support of the Ministry operations are not recognized and are disclosed in Schedule 5 and allocated to programs in Schedule 6.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Work in progress, which includes facilities and improvements projects and development of information systems, is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|----------------------------------|---------------|
| Buildings | 10 – 50 Years |
| Computer Hardware and Software | 3 – 8 Years |
| Furniture and Equipment | 3 – 25 Years |
| Leasehold Improvements and Other | 10 – 20 Years |
| Bridges | 60 Years |
| Highways and Roads | 50 Years |
| Land Improvements | 40 Years |

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Ministry's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major system enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land is capitalized.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

Tangible Capital Assets (continued)

Contributed tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Unless not reasonably determinable, contributed tangible capital assets are recorded at fair value.

Works of art, historical treasures and collections are not recognized in these financial statements.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Environmental obligations are recorded as liabilities when there is little or no discretion to avoid settlement of the obligation and a reasonable estimate of the amount can be made.

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

Canadian Public Sector Accounting Standards require a “net debt” presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events. The Ministry operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these consolidated financial statements do not report a net debt indicator.

Valuation of Financial Assets and Liabilities

The Ministry’s financial assets and liabilities are generally measured as follows:

| <u>Financial Statement Component</u> | <u>Measurement</u> |
|--|--------------------|
| Cash and cash equivalents | Fair value |
| Accounts receivable | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

**Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014**

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Basis of Financial Reporting (continued)

Valuation of Financial Assets and Liabilities (continued)

With the exception of Cash, the Ministry does not carry any financial Assets or Liabilities at fair value and has no derivatives and no significant unsettled exchange gains or losses, as such, a Statement of Remeasurement Gains or Losses is not included in these financial statements.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is based on an assessment of the collectability of accounts receivable. Environmental obligations are included in accounts payable and accrued liabilities in the amount of \$ Nil (2013 – \$37) based on management's best estimates that reflect the most probable course of action. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates. Amortization is based on the estimated useful lives of tangible capital assets.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Inventories

Assets held for sale that are expected to be sold within one year are considered financial assets. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

Inventories held for consumption are valued at the lower of cost and net realizable value. Cost is determined on first in first out basis.

**Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014**

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(d) Future Accounting Changes

PS 3260 Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Ministry would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

PS 3450 Financial Instruments

In June 2011 the Public Sector Accounting Board issued this accounting standard and subsequently extended the effective date to April 1, 2016 from April 1, 2015. The department has not yet adopted this standard and has the option of adopting it in fiscal year 2016-17 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statement Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

Note 3 Cash and Cash Equivalents (in thousands)

Cash and cash equivalents consist of:

| | 2014 | 2013 |
|---|-------------|-------------|
| Consolidated Cash Investment Trust Fund | \$ 4,270 | \$ 9,508 |
| Cash in Other Bank Accounts | 11,409 | 8,123 |
| | \$ 15,679 | \$ 17,631 |

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 3 Cash and Cash Equivalents (in thousands) (continued)

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to maturity of three years. As at March 31, 2014, securities held by the CCITF have a time-weighted return of 1.2% per annum (2013 – 1.3% per annum).

Cash in the amount of \$1,522 (2013 - \$1,570) has been externally restricted and \$134 (2013 - \$132) has been internally restricted and is therefore not available to pay for operating expenses.

Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 4 Accounts Receivable, Inventories, and Prepaid Expenses (in thousands)

Accounts receivable are unsecured and non-interest bearing.

| | <u>2014</u> | | | <u>2013</u> |
|---------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts Receivable | \$ 750 | \$ 20 | \$ 730 | \$ 1,070 |
| Inventories | 19 | - | 19 | 166 |
| Prepaid Expenses | 266 | - | 266 | 22 |
| | <u>\$ 1,035</u> | <u>\$ 20</u> | <u>\$ 1,015</u> | <u>\$ 1,258</u> |

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 5 Deferred Revenue (in thousands)

| | <u>2014</u> | <u>2013</u> |
|---|-----------------|-----------------|
| Unearned Revenue (i) | \$ 2,601 | \$ 2,054 |
| Unspent Deferred Capital Contributions (ii) | 4,909 | 5,172 |
| Spent Deferred Capital Contributions (iii) | - | - |
| | <u>\$ 7,510</u> | <u>\$ 7,226</u> |

(i) Unearned Revenue

| | <u>2014</u> | <u>2013</u> |
|------------------------------------|-----------------|-----------------|
| Balance at Beginning of Year | \$ 2,054 | \$ 1,712 |
| Received/Receivable During Year | 575 | 342 |
| Less Amounts Recognized as Revenue | (28) | - |
| Balance at End of Year | <u>\$ 2,601</u> | <u>\$ 2,054</u> |

(ii) Unspent Deferred Capital Contributions

| | <u>2014</u> | <u>2013</u> |
|---|-----------------|-----------------|
| Balance at Beginning of Year | \$ 5,172 | \$ 5,406 |
| Transferred to Spent Deferred Capital Contributions | (263) | (234) |
| Balance at End of Year | <u>\$ 4,909</u> | <u>\$ 5,172</u> |

(iii) Spent Deferred Capital Contributions

| | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|
| Balance at Beginning of Year | \$ - | \$ - |
| Transferred from Unspent Deferred Capital Contributions | 263 | 234 |
| Less Amounts Recognized as Revenue | (263) | (234) |
| Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> |

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 6 Endowments (in thousands)

The composition of Endowments is as follows:

| | <u>2014</u> | <u>2013</u> |
|------------------------------|---------------|---------------|
| Balance at Beginning of Year | \$ 564 | \$ 565 |
| Endowments Contributions | 1 | - |
| Endowments Distributions | (4) | (4) |
| Re-invested Income | <u>7</u> | <u>3</u> |
| Balance at End of Year | <u>\$ 568</u> | <u>\$ 564</u> |

The Endowment Fund is made up of contributions by the Ministry \$206 (2013 - \$206) and Third Party \$237 (2013 - \$236). These funds are held until perpetuity and earn interest based on the CCITF time-weighted return of 1.2% per annum (2013 – 1.3% per annum).

The accumulated interest on the principal amount is available for distribution upon request by various sport organizations and individuals associated with the funds.

The Endowments were designed to help sport development in Alberta.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 7 Contractual Obligations (in thousands)

Contractual obligations are obligations of the Ministry to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2014 | 2013 |
|--|-------------|-------------|
| Obligations Under Operating Leases, Contracts and Programs | | |
| Capital Construction Contracts | \$ 6,280 | \$ 1,912 |
| Grant Agreements | 2,549 | 3,683 |
| Operating Leases | 6,543 | 7,302 |
| Service Contracts | 56,160 | 28,412 |
| | \$ 71,532 | \$ 41,309 |

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

| | Total |
|-------------|-----------|
| 2014 - 2015 | \$ 32,735 |
| 2015 - 2016 | 18,999 |
| 2016 - 2017 | 15,797 |
| 2017 - 2018 | 1,778 |
| 2018 - 2019 | 1,298 |
| Thereafter | 925 |
| | \$ 71,532 |

Note 8 Contingent Liabilities (in thousands)

At March 31, 2014 the Ministry was named as defendant in six legal claims (2013 - five legal claims). Four of these claims has a specified amount totalling \$943 and the remaining two do not have a specified amount (2013 – three claims with a specified amount totalling \$768 and two with no specified amount). Four claims are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 9 Trust Funds (in thousands)

Under Administration

The Ministry administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the province has no equity in the fund and administers it for the purposes of various trusts, it is not included in the Ministry's consolidated financial statements.

At March 31, 2014, trust funds under administration were as follows:

| | 2014 | 2013 |
|--|-------------|-------------|
| Parks General Trust and Performance Deposits | \$ 887 | \$ 863 |

In addition to the above trust funds under administration, the Ministry holds bank guarantees in the form of letters of credit in the amount of \$8,015 (2013 – \$19,301).

Other

The Ministry is the beneficiary of a trust fund that is administered by the Royal Trust Corporation of Canada over which the Ministry has no power of administration or appropriation. Because the province has no equity in the fund and is only the beneficiary of the income portion of the fund, it is not included in the Ministry's consolidated financial statements.

At March 31, 2014 the trust fund was as follows:

| | 2014 | 2013 |
|-----------------------|-------------|-------------|
| Peaceful Valley Trust | \$ 2,346 | \$ 2,153 |

The income generated from the trust fund is only recognized at the time of withdrawal. The funds are restricted and are to be used for the maintenance or expansion of Peaceful Valley.

Ministry of Tourism, Parks and Recreation
Notes to the Consolidated Financial Statements
Year ended March 31, 2014

Note 10 Benefit Plans (in thousands)

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$5,972 for the year ended March 31, 2014 (2013 - \$5,336). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2013 the Management Employees Pension Plan reported a surplus of \$50,457 (2012 – deficiency \$303,423), the Public Service Pension Plan reported a deficiency of \$1,254,678 (2012 – deficiency \$1,645,141) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$12,384 (2012 – deficiency \$51,870).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2014, the Bargaining Unit Plan reported an actuarial surplus of \$75,200 (2013 – surplus \$51,717) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$24,055 (2013 – surplus \$18,327). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 11 Comparative Figures

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements – Schedule 1
Revenues
Year ended March 31
(in thousands)

| | <u>2014</u> | | <u>2013</u> |
|---|-----------------------|------------------|------------------|
| | Constructed Budget | Actual | Actual |
| Government Transfers | | | |
| Federal and Other Government Grants | \$ 393 | \$ 806 | \$ 673 |
| Investment Income | 675 | 564 | 954 |
| Premiums, Fees and Licences | | | |
| Camping Fees | 10,418 | 11,582 | 9,611 |
| Lands and Grazing | 1,818 | 1,821 | 1,635 |
| Other | 230 | 1,329 | 1,203 |
| | <u>12,466</u> | <u>14,732</u> | <u>12,449</u> |
| Other Revenue | | | |
| Donations | 1,630 | 1,593 | 1,126 |
| Gain on Sale of Tangible Capital Assets | - | 3 | 49 |
| Miscellaneous | 3,604 | 4,029 | 4,165 |
| Refunds of Expenses | 230 | 323 | 475 |
| Sales | 483 | 254 | 353 |
| | <u>5,947</u> | <u>6,202</u> | <u>6,168</u> |
| Total Revenues | <u>\$ 19,481</u> | <u>\$ 22,304</u> | <u>\$ 20,244</u> |

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements – Schedule 2
Credit or Recovery
Year ended March 31
(in thousands)

| | 2014 | | | | |
|--|------------------|---|---------------------|--|-----------------|
| | Authorized | Actual Revenue Recognized ^(a) | Deferred Revenue | Actual Cash/ Donations Received/ Receivable | Excess |
| Parks Operations ^(b) | \$ 12,770 | \$ 14,797 | \$ 4,909 | \$ - | \$ 2,027 |
| Park Infrastructure Management ^(c) | 1,985 | 2,417 | - | - | 432 |
| | <u>\$ 14,473</u> | <u>\$ 17,214</u> | <u>\$ 4,909</u> | <u>\$ -</u> | <u>\$ 2,459</u> |

- (a) Revenues from credit or recovery initiatives are included in the Ministry's revenues in the Consolidated Statement of Operations and Schedule 1.
- (b) Parks collects various fees and other revenues through the *Parks Act* that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others.
- (c) Parks collects a levy for facility redevelopment within fees charged for use of campgrounds and park facilities through the *Parks Act*, as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others. This revenue is then used to manage infrastructure within provincial parks.

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements – Schedule 3
Expenses – Directly Incurred Detailed by Object
Year ended March 31
(in thousands)

| | 2014 | | 2013 |
|--|-----------------------|-------------------|-------------------|
| | Constructed Budget | Actual | Actual |
| Salaries, Wages and Employee Benefits | \$ 65,844 | \$ 61,337 | \$ 57,829 |
| Supplies and Services | 72,818 | 77,854 | 78,514 |
| Supplies and Services from Support Service Arrangements with Related Parties ^(a) | 1,653 | 3,738 | 3,578 |
| Grants | 22,699 | 22,588 | 25,759 |
| Financial Transactions and Other | 210 | 273 | 758 |
| Amortization of Tangible Capital Assets | 18,278 | 17,850 | 17,444 |
| Total Expenses before Recoveries | 181,502 | 183,640 | 183,882 |
| Less Recovery from Support Service Arrangements with Related Parties ^(b) | (1,122) | (1,507) | (1,322) |
| | \$ 180,380 | \$ 182,133 | \$ 182,560 |

^(a) The Ministry received Freedom of Information and Protection of Privacy services from the Ministry of Treasury Board and Finance; revenue services from the Ministry of Energy; and Human Resources, Policy, Planning and Legislative services from the Ministry of Culture.

^(b) The Ministry provided Information Management and Technology services to the Ministry of Culture. Costs incurred by the Ministry for these services were recovered from the Ministry of Culture.

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements – Schedule 4
Budget
Year ended March 31
(in thousands)

| | 2013 - 14 Estimate | Adjustment to Conform to Accounting Policy ^(a) | 2013 – 14 Constructed Budget |
|-------------------------------------|-----------------------|--|------------------------------------|
| Revenues | | | |
| Government Transfers | \$ 393 | \$ - | \$ 15 |
| Investment Income | 675 | - | - |
| Premiums, Fees and Licences | 12,466 | - | 12,236 |
| Other Revenue | 5,947 | - | 2,714 |
| | <u>19,481</u> | <u>-</u> | <u>14,965</u> |
| Expenses – Directly Incurred | | | |
| Ministry Support Services | 7,657 | - | 7,657 |
| Tourism | 77,065 | - | 77,065 |
| Parks | 68,538 | 500 | 69,038 |
| Recreation and Sport | 26,620 | - | 26,620 |
| 2013 Alberta Flooding | - | - | - |
| | <u>179,880</u> | <u>500</u> | <u>180,380</u> |
| Net Operating Results | <u>\$ (160,399)</u> | <u>\$ (500)</u> | <u>\$ (160,899)</u> |
| Capital Spending | <u>\$ 18,812</u> | <u>\$ (500)</u> | <u>\$ 18,312</u> |
| Non–Budgetary Disbursements | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(a) Adjustment in accordance with PS1200.125 to conform fiscal plan numbers to the account policy change for capital grants.

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements – Schedule 5
Related Party Transactions
Year ended March 31
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

Related parties also include two private companies which have a significant shareholder acting as a director and officer who has served as a director of Travel Alberta, an agency of the Ministry, since April 1, 2013. One of the private companies provides printing services to Travel Alberta, amounting to \$10 in 2014 (2013 - \$5). These services are provided on normal commercial terms which management believes represents fair value. The other private company holds a long term lease with Travel Alberta for its Calgary office premises. The lease has six remaining years at March 31, 2014 with a remaining contractual obligation of \$5,830. Travel Alberta entered into the lease contract in September 2009 and paid \$871 in 2014 (2013 - \$878) pursuant to the lease terms. The lease is based on normal commercial terms and management believes represents fair value.

The Ministry had the following transactions with related parties recorded on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Other Entities | |
|--|-----------------------|----------------------|
| | 2014 | 2013 |
| Other Revenue | \$ 11 | \$ 22 |
| Expenses – Directly Incurred | | |
| Grants | \$ 2,085 | \$ 2,402 |
| Other Services | 4,064 | 3,745 ^(a) |
| | <u>\$ 6,149</u> | <u>\$ 6,147</u> |
| Accounts Receivable | \$ - | \$ 4 |
| Accounts Payable | \$ 1 | \$ - |
| Tangible Capital Assets Transferred In | <u>\$ 34</u> | <u>\$ 2,715</u> |

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

(a) Other services related to private companies under Other Entities are disclosed for comparison purposes only, as the related parties joined the Ministry on April 1, 2013.

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements – Schedule 5 (continued)
Related Party Transactions
Year ended March 31
(in thousands)

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the consolidated financial statements but are disclosed in Schedule 6.

| | Other Entities | |
|-------------------------------|-----------------------|-------------|
| | 2014 | 2013 |
| Expenses – Incurred by Others | | |
| Accommodation Costs | \$ 7,303 | \$ 7,169 |
| Legal Services | 287 | 267 |
| Other Services | 2,747 | 3,016 |
| Parks Maintenance | 842 | 962 |
| | \$ 11,179 | \$ 11,414 |

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements - Schedule 6
Allocated Costs
Year ended March 31
(in thousands)

| | 2014 | | | | | 2013 | |
|---------------------------|--------------|-------------------------|--------------------|-----------------------|--------------------|-----------------------|----------------|
| Program | Expenses (a) | Accommodation Costs (b) | | | Other Services (d) | Parks Maintenance (e) | Total Expenses |
| | | Legal Services (c) | Other Services (d) | Parks Maintenance (e) | | | |
| Ministry Support Services | \$ 7,434 | \$ 451 | \$ 21 | \$ 343 | \$ - | \$ 8,249 | \$ 8,295 |
| Tourism | 75,323 | 850 | - | 220 | - | 76,393 | 78,316 |
| Parks | 71,883 | 4,110 | 232 | 1,937 | 842 | 79,004 | 77,620 |
| Recreation and Sport | 25,429 | 1,892 | 34 | 247 | - | 27,602 | 29,743 |
| 2013 Alberta Flooding | 2,064 | - | - | - | - | 2,064 | - |
| | \$ 182,133 | \$ 7,303 | \$ 287 | \$ 2,747 | \$ 842 | \$ 193,312 | \$ 193,974 |

Expenses – Incurred by Others

- (a) Expenses – Directly Incurred as per Consolidated Statement of Operations, excluding valuation adjustments.
- (b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5, allocated by square metres.
- (c) Costs shown for Legal Services on Schedule 5, allocated by estimated costs incurred by each program.
- (d) Costs shown for Other Services on Schedule 5, allocated by estimated costs incurred by each program.
- (e) The Ministry of Transportation provided road and bridge maintenance to Parks. Costs shown for Parks Maintenance on Schedule 5, allocated to the program.

Ministry of Tourism, Parks and Recreation
Schedule to the Consolidated Financial Statements - Schedule 7
Tangible Capital Assets
Year ended March 31
(in thousands)

2014

| Estimated Useful Life | Land | Computer Hardware and Software Equipment ^(a) | | | | | Other | Bridges | Highways and Roads | Land Improvements | Total |
|---|-------------------|---|------------------|------------------|------------------|-----------------|------------------|-------------------|--------------------|-------------------|-------|
| | | Buildings | 10-50 years | 3-8 years | 3-25 years | 10-20 years | | | | | |
| | Indefinite | | | | | | | | | | |
| Historical Cost ^(b) | | | | | | | | | | | |
| Beginning of Year | \$ 128,363 | \$ 186,716 | \$ 21,269 | \$ 36,040 | \$ 19,333 | \$ 2,929 | \$ 68,574 | \$ 213,627 | \$ 676,851 | | |
| Additions | 144 | 4,663 | 310 | 2,038 | 190 | - | 1,194 | 9,733 | 18,272 | | |
| Disposals, including Write-Downs | - | (915) | (249) | (42) | - | - | (193) | - | (1,399) | | |
| Transfers to (from) Ministry | 44 | - | (31) | 21 | - | - | - | - | 34 | | |
| | <u>\$ 128,551</u> | <u>\$ 190,464</u> | <u>\$ 21,299</u> | <u>\$ 38,057</u> | <u>\$ 19,523</u> | <u>\$ 2,929</u> | <u>\$ 69,575</u> | <u>\$ 223,360</u> | <u>\$ 693,758</u> | | |
| Accumulated Amortization | | | | | | | | | | | |
| Beginning of Year | \$ - | \$ 91,178 | \$ 8,131 | \$ 20,329 | \$ 16,672 | \$ 1,046 | \$ 44,022 | \$ 107,725 | \$ 289,103 | | |
| Amortization Expense | - | 5,378 | 2,615 | 2,565 | 181 | 50 | 1,952 | 5,109 | 17,850 | | |
| Effect of Disposals | - | (743) | (238) | (42) | - | - | (175) | - | (1,198) | | |
| Effect of Transfer to Ministry | - | - | - | 18 | - | - | - | - | 18 | | |
| | <u>\$ -</u> | <u>\$ 95,813</u> | <u>\$ 10,508</u> | <u>\$ 22,870</u> | <u>\$ 16,853</u> | <u>\$ 1,096</u> | <u>\$ 45,799</u> | <u>\$ 112,834</u> | <u>\$ 305,773</u> | | |
| Net Book Value at March 31, 2014 | <u>\$ 128,551</u> | <u>\$ 94,651</u> | <u>\$ 10,791</u> | <u>\$ 15,187</u> | <u>\$ 2,670</u> | <u>\$ 1,833</u> | <u>\$ 23,776</u> | <u>\$ 110,526</u> | <u>\$ 387,985</u> | | |
| Net Book Value at March 31, 2013 | <u>\$ 128,363</u> | <u>\$ 95,539</u> | <u>\$ 13,139</u> | <u>\$ 15,710</u> | <u>\$ 2,661</u> | <u>\$ 1,883</u> | <u>\$ 24,552</u> | <u>\$ 105,903</u> | <u>\$ 387,750</u> | | |

(a) Equipment includes network switches and routers, vehicles, heavy equipment, fire protection equipment, office equipment and furniture, and other equipment.

(b) Historical cost includes work-in-progress at March 31, 2014 totaling \$28,593 (2013 - \$20,040) comprised of: buildings \$5,567 (2013 - \$3,834); computer hardware and software \$732 (2013 - \$912); equipment \$2,329 (2013 - \$1,219); other \$171 (2013 - \$29); land improvements \$19,008 (2013 - \$13,983); highways \$786 (2013 - \$63) and bridges \$ Nil (2013 - \$ Nil).

Department of Tourism, Parks and Recreation

Financial Statements
March 31, 2014

**Department of Tourism, Parks and Recreation
Financial Statements
March 31, 2014**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Credit or Recovery

Schedule 3 – Expenses – Directly Incurred Detailed by Object

Schedule 4 – Budget

Schedule 5 – Lapse of Encumbrance

Schedule 6 – Lottery Fund Estimates

Schedule 7 – Salary and Benefits Disclosure

Schedule 8 – Related Party Transactions

Schedule 9 – Allocated Costs

Schedule 10 – Tangible Capital Assets

Independent Auditor's Report

To the Minister of Tourism, Parks and Recreation

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Tourism, Parks and Recreation, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Tourism, Parks and Recreation as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 3, 2014

Edmonton, Alberta

Department of Tourism, Parks and Recreation
Statement of Operations
Year ended March 31
(in thousands)

| | <u>2014</u> | | <u>2013</u> |
|--|---------------------------------------|---------------------|---------------------|
| | Constructed Budget (Schedule 4) | Actual | Actual |
| Revenues (Schedules 1 and 2) | | | |
| Government Transfers | | | |
| Federal Government Grants | \$ 15 | \$ 262 | \$ 235 |
| Investment Income | - | (4) | - |
| Premiums, Fees and Licences | 12,236 | 14,255 | 12,032 |
| Other Revenue | 2,714 | 3,113 | 3,460 |
| | <u>14,965</u> | <u>17,626</u> | <u>15,727</u> |
| Expenses – Directly Incurred (Note 2(b) and Schedule 9) | | | |
| Program (Schedule 3) | | | |
| Ministry Support Services | 7,657 | 7,434 | 7,225 |
| Tourism | 72,947 | 72,246 | 71,338 |
| Parks | 69,038 | 71,883 | 70,440 |
| Recreation and Sport | 23,592 | 22,823 | 25,687 |
| 2013 Alberta Flooding | - | 2,064 | - |
| | <u>173,234</u> | <u>176,450</u> | <u>174,690</u> |
| Net Operating Results | <u>\$ (158,269)</u> | <u>\$ (158,824)</u> | <u>\$ (158,963)</u> |

The accompanying notes and schedules are part of these financial statements.

Department of Tourism, Parks and Recreation
Statement of Financial Position
As at March 31
(in thousands)

| | 2014 | 2013 |
|--|-------------|-------------|
| Assets | | |
| Cash and Cash Equivalents | \$ 2,838 | \$ 2,288 |
| Accounts Receivable (Note 3) | 368 | 444 |
| Tangible Capital Assets (Schedule 10) | 384,824 | 384,654 |
| | \$ 388,030 | \$ 387,386 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 15,673 | \$ 15,010 |
| Deferred Revenue (Note 4) | 7,510 | 7,198 |
| | 23,183 | 22,208 |
| Net Assets | | |
| Net Assets at Beginning of Year | 365,178 | 370,945 |
| Net Operating Results | (158,824) | (158,963) |
| Net Financing Provided from General Revenues | 158,493 | 153,196 |
| Net Assets at End of Year | 364,847 | 365,178 |
| | \$ 388,030 | \$ 387,386 |

Contractual Obligations (Note 6)
Contingent Liabilities (Note 7)
Subsequent Event (Note 10)

The accompanying notes and schedules are part of these financial statements.

Department of Tourism, Parks and Recreation
Statement of Cash Flows
Year ended March 31
(in thousands)

| | 2014 | 2013 |
|---|--------------|--------------|
| Operating Transactions | | |
| Net Operating Results | \$ (158,824) | \$ (158,963) |
| Non-cash Items Included in Net Operating Results | | |
| Amortization | 17,714 | 17,293 |
| Deferred Capital Contribution recognized as Revenue | (263) | (234) |
| Loss on Disposal of Tangible Capital Assets | 201 | 437 |
| Valuation Adjustments | (14) | 191 |
| | (141,186) | (141,276) |
| Decrease in Accounts Receivable | 77 | 532 |
| Increase in Accounts Payable and Accrued Liabilities | 663 | 4,335 |
| Unearned Revenue Received/Receivable | 575 | 314 |
| | (139,871) | (136,095) |
| Capital Transactions | | |
| Acquisition of Tangible Capital Assets | (18,069) | (13,867) |
| Transfers of Tangible Capital Assets | (3) | (2,715) |
| | (18,072) | (16,582) |
| Financing Transactions | | |
| Net Financing Provided from General Revenues | 158,493 | 153,196 |
| Increase in Cash and Cash Equivalents | 550 | 519 |
| Cash and Cash Equivalents at Beginning of Year | 2,288 | 1,769 |
| Cash and Cash Equivalents at End of Year | \$ 2,838 | \$ 2,288 |

The accompanying notes and schedules are part of these financial statements.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 1 Authority and Purpose

The Department of Tourism, Parks and Recreation (Department) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to enhance and preserve the quality of life for Albertans. This is done by:

- managing Alberta's provincial parks and protected areas,
- promoting recreational and sport opportunities, and
- facilitating tourism marketing and development.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

The reporting entity is the Department of Tourism, Parks and Recreation, which is part of the Ministry of Tourism, Parks and Recreation (Ministry) and for which the Minister of Tourism, Parks and Recreation is accountable. Other entities reporting to the Minister are the Alberta Sport, Recreation, Parks and Wildlife Foundation and Travel Alberta. The activities of these organizations are not included in these financial statements. The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing Provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

Revenue Accounting Policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Donations and Non-government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to the Department if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the Department's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Department complies with its communicated use.

In-kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Department, the value of their services are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

Government transfers are recorded as deferred revenue if the terms of the transfer, or the stipulations together with the Department's actions and communications as to the use of transfers create a liability.

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the Department is eligible to receive the funds.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Revenue Accounting Policy (continued)

Capital Contributions

Restricted capital contributions are recognized as deferred revenue when received and recognized as revenue over the useful life of the acquired or constructed tangible capital assets.

Credit or Recovery

Credit or Recovery initiatives provide a basis for authorizing spending. Credits or Recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual Credit or Recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Department's Credit or Recovery Initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Department has primary responsibility and accountability for, as reflected in the government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets,
- pension costs, which are the cost of employer contributions for the current service of employees during the year, and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime and environmental obligations.

Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

**Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014**

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurred by Others

Services contributed by other entities in support of the Department operations are not recognized and are disclosed in Schedule 8 and allocated to programs in Schedule 9.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major system enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land is capitalized.

Contributed tangible capital assets are recorded at their fair value at the time of contribution.

Amortization is only charged if the tangible capital asset is in use.

When tangible capital assets are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Environmental obligations are recorded as liabilities when there is little or no discretion to avoid settlement of the obligation and a reasonable estimate of the amount can be made.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

Canadian Public Sector Accounting Standards require a “net debt” presentation for the Statement of Financial Position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events. The Department operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm’s length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of Cash and Cash Equivalents, Accounts Receivable, and Accounts Payable and Accrued Liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recorded based on an assessment of collectability of accounts receivable. Environmental obligations are included in accounts payable and accrued liabilities in the amount of \$ Nil (2013 – \$37) based on management’s best estimates that reflect the most probable course of action. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates. Amortization is based on the estimated useful lives of tangible capital assets.

**Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014**

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(c) Future Accounting Changes

PS 3260 Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Department would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

PS 3450 Financial Instruments

In June 2011 the Public Sector Accounting Board issued this accounting standard and subsequently extended the effective date to April 1, 2016 from April 1, 2015. The department has not yet adopted this standard and has the option of adopting it in fiscal year 2016-17 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statement Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. Management is currently assessing the impact of these standards on the financial statements.

Note 3 Accounts Receivable (in thousands)

Accounts receivable are unsecured and non-interest bearing.

| | 2014 | | 2013 | |
|---------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts Receivable | \$ 388 | \$ 20 | \$ 368 | \$ 444 |

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 4 Deferred Revenue (in thousands)

| | <u>2014</u> | <u>2013</u> |
|---|-----------------|-----------------|
| Unearned Revenue (i) | \$ 2,601 | \$ 2,026 |
| Unspent Deferred Capital Contributions (ii) | 4,909 | 5,172 |
| Spent Deferred Capital Contributions (iii) | - | - |
| | <u>\$ 7,510</u> | <u>\$ 7,198</u> |

(i) Unearned Revenue

| | <u>2014</u> | <u>2013</u> |
|------------------------------|-----------------|-----------------|
| Balance at Beginning of Year | \$ 2,026 | \$ 1,712 |
| Net Change | 575 | 314 |
| Balance at End of Year | <u>\$ 2,601</u> | <u>\$ 2,026</u> |

(ii) Unspent Deferred Capital Contributions

| | <u>2014</u> | <u>2013</u> |
|---|-----------------|-----------------|
| Balance at Beginning of Year | \$ 5,172 | \$ 5,406 |
| Transferred to Spent Deferred Capital Contributions | (263) | (234) |
| Balance at End of Year | <u>\$ 4,909</u> | <u>\$ 5,172</u> |

(iii) Spent Deferred Capital Contributions

| | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|
| Balance at Beginning of Year | \$ - | \$ - |
| Transferred from Unspent Deferred Capital Contributions | 263 | 234 |
| Less Amounts Recognized as Revenue | (263) | (234) |
| Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> |

Note 5 Over Expenditure of Authorized Spending (in thousands)

The Ministry's total of actual voted expense exceeded the authorized voted expenses by \$933 for the year ended March 31, 2014. As required by the *Financial Administration Act*, this amount must be charged against the voted appropriation of the year ending March 31, 2015. See Schedule 5 to the financial statements.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 6 Contractual Obligations (in thousands)

Contractual obligations are obligations of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2014 | 2013 |
|--|-------------|-------------|
| Obligations Under Operating Leases, Contracts and Programs | | |
| Capital Construction Contracts | \$ 6,280 | \$ 1,912 |
| Grant Agreements | 2,039 | 3,413 |
| Operating Leases | - | 7 |
| Service Contracts | 9,306 | 11,452 |
| | \$ 17,625 | \$ 16,784 |

Estimated payment requirements for each of the next five years are as follows:

Obligations Under Operating Leases, Contracts and Programs

| | Total |
|-------------|-----------|
| 2014 - 2015 | \$ 13,036 |
| 2015 - 2016 | 3,156 |
| 2016 - 2017 | 683 |
| 2017 - 2018 | 637 |
| 2018 - 2019 | 113 |
| | \$ 17,625 |

Note 7 Contingent Liabilities

The Department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

At March 31, 2014 the Department was named as defendant in six legal claims (2013 - five legal claims). Four of these claims has a specified amount totalling \$943 and the remaining two do not have a specified amount (2013 – three claims with a specified amount totalling \$768 and two with no specified amount). Four claims are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 8 Trust Funds Under Administration (in thousands)

The Department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the province has no equity in the fund and administers it for the purposes of various trusts, it is not included in the Department's financial statements.

At March 31, 2014 trust funds under administration were as follows:

| | 2014 | 2013 |
|--|-------------|-------------|
| Parks General Trust and Performance Deposits | \$ 887 | \$ 863 |

In addition to the above trust fund under administration, the Department holds bank guarantees in the form of letters of credit in the amount of \$8,015 (2013 – \$19,301).

Note 9 Benefit Plans (in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$4,774 for the year ended March 31, 2014 (2013 - \$4,311). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2013 the Management Employees Pension Plan reported a surplus of \$50,457 (2012 – deficiency \$303,423) and the Public Service Pension Plan reported a deficiency of \$1,254,678 (2012 – deficiency \$1,645,141), and the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$12,384 (2012 – deficiency \$51,870).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2014, the Bargaining Unit Plan reported an actuarial surplus of \$75,200 (2013 – deficiency \$51,717) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$24,055 (2013 – surplus \$18,327). The expense for these two plans is limited to the employer's annual contributions for the year.

Department of Tourism, Parks and Recreation
Notes to the Financial Statements
Year ended March 31, 2014

Note 10 Subsequent Event (in thousands)

The Alberta Sport, Recreation, Parks and Wildlife Foundation began operating as the Alberta Sport Connection on April 1, 2014. The Alberta Sport Connection mandate has changed to a focus on sport with a minor focus on parks and wildlife. The Alberta Sport, Recreation, Parks and Wildlife Foundation will transfer the agreed upon programs or portion thereof to the Department along with the associated budgets of \$3,425, operating expenses of \$3,425, revenue of \$253 and tangible capital assets of \$7 resulting in a net increase in net assets of \$260.

Note 11 Comparative Figures

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 1
Revenues
Year ended March 31
(in thousands)

| | <u>2014</u> | | <u>2013</u> |
|---|-------------------------------|------------------|------------------|
| | <u>Constructed Budget</u> | <u>Actual</u> | <u>Actual</u> |
| Government Transfers | | | |
| Federal and Other Government Grants | \$ 15 | \$ 262 | \$ 235 |
| Investment Income | - | (4) | - |
| Premiums, Fees and Licences | | | |
| Camping Fees | 10,418 | 11,582 | 9,611 |
| Lands and Grazing | 1,818 | 1,821 | 1,635 |
| Other | - | 852 | 786 |
| | <u>12,236</u> | <u>14,255</u> | <u>12,032</u> |
| Other Revenue | | | |
| Gain on Sale of Tangible Capital Assets | - | 3 | 49 |
| Miscellaneous | 2,504 | 2,765 | 2,899 |
| Refunds of Expenses | 210 | 307 | 438 |
| Sales | - | 38 | 74 |
| | <u>2,714</u> | <u>3,113</u> | <u>3,460</u> |
| Total Revenues | <u>\$ 14,965</u> | <u>\$ 17,626</u> | <u>\$ 15,727</u> |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 2
Credit or Recovery
Year ended March 31
(in thousands)

| | | 2014 | | | |
|---|------------|--------------------------------------|----------|--------------------------|----------|
| | | Actual | Deferred | Actual Cash/ Donation | Excess |
| Parks Operations ^(b) | Authorized | Revenue Recognized ^(a) | Revenue | Received/ Receivable | |
| | \$ 12,770 | \$ 14,797 | \$ 4,909 | \$ - | \$ 2,027 |
| | 1,985 | 2,417 | - | - | 432 |
| Park Infrastructure Management ^(c) | \$ 14,755 | \$ 17,214 | \$ 4,909 | \$ - | \$ 2,459 |

- (a) Revenues from credit or recovery initiatives are included in the Department's revenues in the Statement of Operations and Schedule 1.
- (b) Parks collects various fees and other revenues through the Parks Act that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others.
- (c) Parks collects a levy for facility redevelopment within fees charged for use of campgrounds and park facilities through the Parks Act, as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others. This revenue is then used to manage infrastructure within provincial parks.

**Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 3
Expenses – Directly Incurred Detailed by Object
Year ended March 31
(in thousands)**

| | <u>2014</u> | | <u>2013</u> |
|--|-----------------------|-------------------|-------------------|
| | Constructed Budget | Actual | Actual |
| Salaries, Wages and Employee Benefits | \$ 56,269 | \$ 52,535 | \$ 49,455 |
| Supplies and Services ^(a) | 24,824 | 29,426 | 28,772 |
| Supplies and Services from Support Service Arrangements with Related Parties ^(b) | 1,525 | 3,738 | 3,578 |
| Grants | 76,380 | 77,533 | 79,397 |
| Other | 210 | 258 | 704 |
| Amortization of Tangible Capital Assets | 18,266 | 17,714 | 17,293 |
| Total Expenses before Recoveries | 177,474 | 181,204 | 179,199 |
| Less Recovery from Support Service Arrangements with Related Parties ^(c) | (4,240) | (4,754) | (4,509) |
| | <u>\$ 173,234</u> | <u>\$ 176,450</u> | <u>\$ 174,690</u> |

(a) The Department received Freedom of Information and Protection of Privacy services from the Department of Treasury Board and Finance; and Human Resources, Policy, Planning and Legislative services from the Department of Culture.

(b) The Department provided financial and administrative services to the Alberta Sport, Recreation, Parks and Wildlife Foundation of the Ministry of Tourism, Parks and Recreation, and Information Management and Technology services to the Department of Culture. Costs incurred by the Department for these services were recovered from the Alberta Sport, Recreation, Parks and Wildlife Foundation and the Department of Culture.

(c) The Department provided Information Management and Technology services to the Department of Culture. Costs incurred by the Department for these services were recovered from the Department of Culture.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 4
Budget
Year ended March 31
(in thousands)

| | 2013 - 14 Estimate | Adjustment to Conform to Accounting Policy ^(a) | 2013 – 14 Constructed Budget |
|-------------------------------------|-----------------------|--|------------------------------------|
| Revenues | | | |
| Government Transfers | \$ 15 | \$ - | \$ 15 |
| Premiums Fees and Licences | 12,236 | - | 12,236 |
| Other Revenue | 2,714 | - | 2,714 |
| | <u>14,965</u> | <u>-</u> | <u>14,965</u> |
| Expenses – Directly Incurred | | | |
| Ministry Support Services | 7,657 | - | 7,657 |
| Tourism | 72,947 | - | 72,947 |
| Parks | 68,538 | 500 | 69,038 |
| Recreation and Sport | 23,592 | - | 23,592 |
| 2013 Alberta Flooding | - | - | - |
| | <u>172,734</u> | <u>500</u> | <u>173,234</u> |
| Net Operating Results | <u>\$ (157,769)</u> | <u>\$ (500)</u> | <u>\$ (158,269)</u> |
| Capital Spending | <u>\$ 18,812</u> | <u>\$ (500)</u> | <u>\$ 18,312</u> |
| Non–Budgetary Disbursements | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(a) Adjustment in accordance with PS1200.125 to conform fiscal plan numbers to the account policy change for capital grants.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 5
Lapse/Encumbrance
Year ended March 31
(in thousands)

| | 2013-14 Voted Estimate (a) | Supplementary Estimate | Adjustments (b) | 2013-14 Adjusted Voted Estimate | 2013-14 Actuals (c) | Unexpended (Over Expended) |
|---|----------------------------------|---------------------------|----------------------|---------------------------------------|------------------------|-------------------------------|
| Program Operating | | | | | | |
| 1 Ministry Support Services | | | | | | |
| 1.1 Minister's Office | \$ 577 | \$ - | \$ - | \$ 577 | \$ 572 | \$ 5 |
| 1.2 Deputy Minister's Office | 735 | - | - | 735 | 720 | 15 |
| 1.3 Strategic Corporate Services | 5,516 | - | - | 5,516 | 5,549 | (33) |
| 1.4 Communications | 435 | - | - | 435 | 429 | 6 |
| | <u>7,263</u> | <u>-</u> | <u>-</u> | <u>7,263</u> | <u>7,270</u> | <u>(7)</u> |
| 2 Tourism | | | | | | |
| 2.1 Program Support | 600 | - | - | 600 | 517 | 83 |
| 2.2 Visitor Services | 12,369 | - | - | 12,369 | 12,345 | 24 |
| 2.3 Destination Competitiveness | 6,412 | - | - | 6,412 | 6,083 | 329 |
| 2.4 Research and Investment | 3,027 | - | - | 3,027 | 2,648 | 379 |
| 2.5 Assistance to Travel Alberta Corporation | 50,539 | - | - | 50,539 | 50,539 | - |
| | <u>72,947</u> | <u>-</u> | <u>-</u> | <u>72,947</u> | <u>72,132</u> | <u>815</u> |
| 3 Parks | | | | | | |
| 3.1 Program Support | 950 | - | - | 950 | 922 | 28 |
| 3.2 Parks Program Coordination | 6,077 | - | - | 6,077 | 5,330 | 747 |
| 3.3 Parks Operations | 36,264 | - | 1,445 ^(c) | 37,709 | 39,627 | (1,918) |
| 3.4 Parks Infrastructure Management | 7,265 | - | 355 ^(c) | 7,620 | 7,428 | 192 |
| | <u>50,556</u> | <u>-</u> | <u>1,800</u> | <u>52,356</u> | <u>53,307</u> | <u>(951)</u> |
| 4 Recreation and Sport | | | | | | |
| 4.1 Program Support | 1,087 | - | - | 1,087 | 1,235 | (148) |
| 4.2 Recreation and Sport Services | 1,150 | - | - | 1,150 | 686 | 464 |
| 4.3 Assistance to the Alberta Sport, Recreation, Parks and Wildlife Foundation | 21,355 | - | - | 21,355 | 21,355 | - |
| | <u>23,592</u> | <u>-</u> | <u>-</u> | <u>23,592</u> | <u>23,276</u> | <u>316</u> |
| 5 2013 Alberta Flooding | | | | | | |
| 5.1 Tourism Flood Response | - | 958 ^(d) | - | 958 | 959 | (1) |
| 5.2 Parks Infrastructure Repair and Replacement | - | - | - | - | 1,105 | (1,105) |
| | <u>-</u> | <u>958</u> | <u>-</u> | <u>958</u> | <u>2,064</u> | <u>(1,106)</u> |
| Total | \$ 154,358 | \$ 958 | \$ 1,800 | \$ 157,116 | \$ 158,049 | \$ (933) |
| Lapse/(Encumbrance) | | | | | | \$ (933) |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 5 (continued)
Lapse/Encumbrance
Year ended March 31
(in thousands)

| | 2013-14 Voted Estimate ^(a) | Supplementary Estimate | Adjustments ^(b) | 2013-14 Adjusted Voted Estimate | 2013-14 Actuals ^(g) | Unexpended (Over Expended) |
|---|---|---------------------------|----------------------------|---------------------------------------|-----------------------------------|-------------------------------|
| Program – Capital Investment and Capital Grants | | | | | | |
| 2 Tourism | | | | | | |
| 2.2 Visitor Services | | | | | | |
| -Capital Investment | \$ 1,663 | \$ - | \$ (250) ^(e) | \$ 1,413 | \$ 1,226 | \$ 187 |
| | 1,663 | - | (250) | 1,413 | 1,226 | 187 |
| 3 Parks | | | | | | |
| 3.3 Parks Operations | | | | | | |
| -Capital Investment | 220 | - | - | 220 | 368 | (148) |
| 3.4 Parks Infrastructure Management | | | | | | |
| -Capital Grants | 500 | - | - | 500 | 500 | - |
| -Capital Investment | 16,429 | 250 ^(f) | 138 ^(f) | 16,817 | 16,031 | 786 |
| | 17,149 | 250 | 138 | 17,537 | 16,899 | 638 |
| 5 2013 Alberta Flooding | | | | | | |
| 5.2 Parks Infrastructure Repair and Replacement | | | | | | |
| -Capital Investment | - | 1,632 ^(d) | - | 1,632 | 444 | 1,188 |
| | - | - | - | 1,632 | 444 | 1,188 |
| Total | \$ 18,812 | \$ 1,882 | \$ (112) | \$ 20,582 | \$ 18,569 | \$ 2,013 |
| Lapse/(Encumbrance) | | | | | | \$ 2,013 |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 5 (continued)
Lapse/Encumbrance
Year ended March 31
(in thousands)

| | 2013-14 Voted Estimate (a) | Supplementary Estimate | Adjustments (b) | 2013-14 Adjusted Voted Estimate | 2013-14 Actuals (g) | Unexpended (Over Expended) |
|---------------------------------------|----------------------------------|---------------------------|-----------------|---------------------------------------|------------------------|-------------------------------|
| Non-Budgetary Disbursements | | | | | | |
| 3 Parks | | | | | | |
| 3.0.4 Parks Infrastructure Management | - | - | - | - | - | - |
| -Capital Investment | - | - | - | - | - | - |
| Total | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Lapse/(Encumbrance) | | | | | | \$ - |

- (a) As per "Operational Vote by Program" and "Capital Vote by Program" page 206 of 2013-14 Government Estimates.
- (b) Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimates. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding Voted Estimate in the current year.
- (c) Treasury Board approved on October 23, 2013 an increase of \$1,445 for Parks Operations and \$355 for Parks Infrastructure Management in operating expense/credit or recovery due to the assumption of various parks operations previously run by third party operators under a Facility Operating Agreement.
- (d) Treasury Board approved an increase of \$958 in operating expense and \$1,632 in capital investment for assistance as a result of the June 2013 flooding.
- (e) Treasury Board approved on December 19, 2013 a carry-forward of \$250 in capital spending for the Canmore Visitor Information Centre from 2013-14 to 2014-15.
- (f) Treasury Board approved on July 23, 2013 capital carry-over of \$138 for various provincial park maintenance and renewal projects and an increase of \$250 in capital spending for the Vermillion Spark Park project.
- (g) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

**Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 6
Lottery Fund Estimates
Year ended March 31
(in thousands)**

| | 2013-14 Lottery Fund Estimates | 2013-14 Actual | Unexpended (Over Expended) |
|---|--------------------------------------|-------------------|-------------------------------|
| Parks Operations | \$ 10,000 | \$ 10,000 | \$ - |
| Assistance to Alberta Sport, Recreation, Parks and Wildlife Foundation | 21,355 | 21,355 | - |
| | <u>\$ 31,355</u> | <u>\$ 31,355</u> | <u>\$ -</u> |

The revenue of the Lottery Fund is transferred to the Department of Treasury Board and Finance on behalf of the General Revenue Fund. Having been transferred to the General Revenue Fund, these monies then become part of the Department's supply vote. This table shows details of the initiatives within the Department that are funded by the Lottery Fund and compares it to the actual results.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 7
Salary and Benefits Disclosure
Year ended March 31
(in thousands)

| | 2014 | | | 2013 | |
|--|----------------------------|------------------------------------|--|--------|--------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total |
| Deputy Minister ^{(d)(e)} | \$ 274 | \$ 2 | \$ 103 | \$ 379 | \$ 358 |
| Executives | | | | | |
| Assistant Deputy Minister, Tourism Division ^(e) | 190 | 39 | 57 | 286 | 258 |
| Assistant Deputy Minister, Parks Division | 167 | 3 | 47 | 217 | 207 |
| Executive Director, Human Resources ^(f) | 158 | 2 | 43 | 203 | 200 |
| Executive Director, Financial Services | 148 | 2 | 42 | 192 | 191 |
| Executive Director, Recreation and Sport Division ^(g) | 129 | 2 | 34 | 231 | 396 |
| Executive Director, Policy, Planning and Legislative Services ^(f) | 126 | 2 | 36 | 164 | 162 |
| Acting Executive Director, Information Management and Technology Services ^(f) | 123 | 2 | 37 | 162 | 113 |

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2014.

(c) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(d) Automobile provided, no dollar amount included in other non-cash benefits.

(e) This position was occupied by two individuals at different times during the year.

(f) The incumbent's services are shared with the Department of Culture which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this Schedule.

(g) This position was the Assistant Deputy Minister, Recreation and Sport Development Division and changed to an Executive Director position for 2013-14. In the 2012-13 salary and benefit amount there is severance pay included.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 8
Related Party Transactions
Year ended March 31
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-----------|----------------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| Expenses – Directly Incurred | | | | |
| Grants | \$ 72,662 | \$ 73,918 | \$ 58 | \$ 346 |
| Other Services | - | - | 3,112 | 2,790 |
| | \$ 72,662 | \$ 73,918 | \$ 3,170 | \$ 3,136 |
| Accounts Receivable | \$ 38 | \$ 20 | \$ - | \$ 3 |
| Accounts Payable | \$ 38 | \$ - | \$ 1 | \$ - |
| Tangible Capital Assets Transferred In | \$ - | \$ - | \$ 3 | \$ 2,715 |

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 8 (continued)
Related Party Transactions
Year ended March 31
(in thousands)

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 9.

| | Entities in the Ministry | | Other Entities | |
|-------------------------------|---------------------------------|-------------|-----------------------|-------------|
| | 2014 | 2013 | 2014 | 2013 |
| Recoveries | | | | |
| Services Provided | \$ 4,754 | \$ 4,509 | \$ - | \$ - |
| Expenses – Incurred by Others | | | | |
| Accommodation Costs | \$ - | \$ - | \$ 5,799 | \$ 5,757 |
| Legal Services | - | - | 253 | 236 |
| Other Services | - | - | 2,747 | 3,016 |
| Parks Maintenance | - | - | 842 | 962 |
| | \$ - | \$ - | \$ 9,641 | \$ 9,971 |

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements – Schedule 9
Allocated Costs
Year ended March 31
(in thousands)

| | 2014 | | | | | 2013 |
|---------------------------|-------------------------------|-------------------------|--------------------|--------------------|-----------------------|-------------------|
| Program | Expenses (a) | Accommodation Costs (b) | Legal Services (c) | Other Services (d) | Parks Maintenance (e) | Total Expenses |
| | Expenses – Incurred by Others | | | | | |
| Ministry Support Services | \$ 7,434 | \$ 451 | \$ 21 | \$ 343 | - | \$ 8,249 |
| Tourism | 72,246 | 850 | - | 220 | - | 73,316 |
| Parks | 71,883 | 4,110 | 232 | 1,937 | 842 | 79,004 |
| Recreation and Sport | 22,823 | 388 | - | 247 | - | 23,458 |
| 2013 Alberta Flooding | 2,064 | - | - | - | - | 2,064 |
| | \$ 176,450 | \$ 5,799 | \$ 253 | \$ 2,747 | \$ 842 | \$ 186,091 |
| | | | | | | \$ 184,661 |

(a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 8, allocated by square metres.

(c) Costs shown for Legal Services on Schedule 8, allocated by estimated costs incurred by each program.

(d) Costs shown for Other Services on Schedule 8, allocated by estimated costs incurred by each program.

(e) The Department of Transportation provided road and bridge maintenance to Parks. Costs shown for Parks Maintenance on Schedule 8, allocated to the program.

Department of Tourism, Parks and Recreation
Schedule to the Financial Statements - Schedule 10
Tangible Capital Assets
Year ended March 31
(in thousands)

| | | 2014 | | | | | | | | |
|---|-------------------|---|------------------|------------------|------------------|-----------------|------------------|--------------------|-------------------|-------|
| Estimated Useful Life | Land | Computer Hardware and Software Equipment ^(a) | | | | | Bridges | Highways and Roads | Land Improvements | Total |
| | | Buildings | 5-8 years | 3-25 years | 10-20 years | Other | | | | |
| | Indefinite | | | | | | | | | |
| Historical Cost ^(b) | | | | | | | | | | |
| Beginning of Year | \$ 125,906 | \$ 186,450 | \$ 20,950 | \$ 35,964 | \$ 18,926 | \$ 2,929 | \$ 68,574 | \$ 213,587 | \$ 673,286 | |
| Additions | - | 4,654 | 310 | 2,038 | 141 | - | 1,194 | 9,733 | 18,070 | |
| Disposals, including Write-Downs | - | (915) | (249) | (42) | - | - | (193) | - | (1,399) | |
| Transfers to (from) Department | 44 | - | (31) | 21 | - | - | - | - | 34 | |
| | \$ 125,950 | \$ 190,189 | \$ 20,980 | \$ 37,981 | \$ 19,067 | \$ 2,929 | \$ 69,575 | \$ 223,320 | \$ 689,991 | |
| Accumulated Amortization | | | | | | | | | | |
| Beginning of Year | \$ - | \$ 91,079 | \$ 7,922 | \$ 20,293 | \$ 16,547 | \$ 1,047 | \$ 44,022 | \$ 107,723 | \$ 288,633 | |
| Amortization Expense | - | 5,371 | 2,536 | 2,558 | 139 | 50 | 1,952 | 5,108 | 17,714 | |
| Effect of Disposals | - | (743) | (238) | (42) | - | - | (175) | - | (1,198) | |
| Effect of Transfer to Department | - | - | - | 18 | - | - | - | - | 18 | |
| | \$ - | \$ 95,707 | \$ 10,220 | \$ 22,827 | \$ 16,686 | \$ 1,097 | \$ 45,799 | \$ 112,831 | \$ 305,167 | |
| Net Book Value at March 31, 2014 | \$ 125,950 | \$ 94,482 | \$ 10,760 | \$ 15,154 | \$ 2,381 | \$ 1,832 | \$ 23,776 | \$ 110,489 | \$ 384,824 | |
| Net Book Value at March 31, 2013 | \$ 125,906 | \$ 95,371 | \$ 13,029 | \$ 15,669 | \$ 2,379 | \$ 1,883 | \$ 24,552 | \$ 105,865 | \$ 384,654 | |

(a) Equipment includes network switches and routers, vehicles, heavy equipment, fire protection equipment, office equipment and furniture, and other equipment.

(b) Historical cost includes work-in-progress at March 31, 2014 totaling \$28,593 (2013 - \$20,040) comprised of: buildings \$5,567 (2013 - \$3,834); computer hardware and software \$732 (2013 - \$912); equipment \$2,329 (2013 - \$1,219); other \$171 (2013 - \$29); land improvements \$19,008 (2013 - \$13,983); highways \$786 (2013 - \$63) and bridges Nil (2013 - Nil).

Travel Alberta

Financial Statements
March 31, 2014

**Travel Alberta
Financial Statements
March 31, 2014**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Detailed by Object

Schedule 2 – Salary and Benefits Disclosure

Schedule 3 – Related Party Transactions



Independent Auditor's Report

To the Board of Directors of Travel Alberta and the Minister of Tourism, Parks and Recreation

Report on the Financial Statements

I have audited the accompanying financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 12, 2014

Edmonton, Alberta

**Travel Alberta
Statement of Operations
Year ended March 31
(in thousands)**

| | <u>2014</u> | | <u>2013</u> |
|--|-------------------|-------------------|-------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Actual</u> |
| Revenues | | | |
| Government of AB Transfer | \$ 50,539 | \$ 50,539 | \$ 50,539 |
| Government of AB Transfer - 2013 Alberta Flood | - | 768 | - |
| Investment Income | 400 | 446 | 462 |
| Premiums, Fees and Licences | - | 238 | 212 |
| Sponsorship | - | 127 | 137 |
| Revenue from Partners | 1,100 | 1,216 | 1,227 |
| | <u>52,039</u> | <u>53,334</u> | <u>52,577</u> |
| Expenses (Note 2(b) and Schedule 1) | | | |
| Global Marketing | 39,315 | 39,393 | 41,642 |
| Regional Industry Marketing | 10,500 | 9,320 | 9,812 |
| Corporate Operations | 4,842 | 4,903 | 4,853 |
| 2013 Alberta Flooding | - | 768 | - |
| | <u>54,657</u> | <u>54,384</u> | <u>56,307</u> |
| Annual Operating Deficit | <u>\$ (2,618)</u> | <u>\$ (1,050)</u> | <u>\$ (3,730)</u> |

The accompanying notes and schedules are part of these financial statements.

**Travel Alberta
Statement of Financial Position
As at March 31
(in thousands)**

| | 2014 | 2013 |
|---|-------------|-------------|
| Assets | | |
| Cash and Cash Equivalents (Note 4) | \$ 9,435 | \$ 11,839 |
| Accounts Receivable (Note 5) | 196 | 63 |
| Prepaid Expenses (Note 5) | 238 | 123 |
| Tangible Capital Assets (Note 6) | 320 | 392 |
| | \$ 10,189 | \$ 12,417 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities (Note 7) | \$ 4,365 | \$ 5,543 |
| Net Assets | | |
| Accumulated Operating Surplus (Note 8) | 5,824 | 6,874 |
| | \$ 10,189 | \$ 12,417 |

Contractual Obligations (Note 9)

The accompanying notes and schedules are part of these financial statements.

**Travel Alberta
Statement of Cash Flows
Year ended March 31
(in thousands)**

| | 2014 | 2013 |
|---|-------------|-------------|
| Operating Transactions | | |
| Annual Operating Deficit | \$ (1,050) | \$ (3,730) |
| Non-cash Items: | | |
| Amortization of Tangible Capital Assets | 121 | 131 |
| | (929) | (3,599) |
| (Increase) Decrease in Accounts Receivable | (133) | 47 |
| Increase in Prepaid Expenses | (115) | (114) |
| (Decrease) Increase in Accounts Payable and Accrued Liabilities | (1,178) | 576 |
| | (2,355) | (3,090) |
| Capital Transactions | | |
| Acquisition of Tangible Capital Assets | (49) | - |
| | (49) | - |
| Cash Applied to Capital Transactions | (49) | - |
| | (49) | - |
| Decrease in Cash and Cash Equivalents | (2,404) | (3,090) |
| Cash and Cash Equivalents at Beginning of Year | 11,839 | 14,929 |
| Cash and Cash Equivalents at End of Year | \$ 9,435 | \$ 11,839 |

The accompanying notes and schedules are part of these financial statements.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 1 Authority and Purpose

Travel Alberta (the “Corporation”) operates under the authority of the *Travel Alberta Act*, Chapter T-6.5, Statutes of Alberta 2008. The Corporation’s results are consolidated into the Ministry of Tourism, Parks and Recreation (Ministry), which operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Corporation is to:

- market tourism assets, attractions and opportunities present in Alberta, in domestic, national and international markets,
- promote Alberta as a destination for tourists and other visitors,
- assist Alberta’s tourism industry operators to market their products, and
- exercise or perform any other powers, duties and functions as may be regulated from time to time by the Lieutenant Governor in Council.

The Corporation is a Crown agent of the Government of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

The reporting entity is Travel Alberta, which is part of the Ministry of Tourism, Parks and Recreation (Ministry) and for which the Minister of Alberta Tourism, Parks and Recreation is accountable. The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry’s operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenue Accounting Policy

Substantially all of the Corporation’s revenue is from the Province of Alberta’s allocation of the Tourism Levy.

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Revenue Accounting Policy (continued)

Revenue from Partners is received or receivable for specific marketing projects. The revenue is recognized as the projects take place.

Government Transfers

Transfers from the Government of Alberta, federal and other governments and other government entities are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use of the transfer.

All other government transfers, without terms for use of the transfer, are recorded as revenue when the Corporation is eligible to receive the funds.

Investment Income

Investment income includes interest income and is recognized as revenue is earned.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the assets held by the Corporation and its liabilities.

Canadian public sector accounting standards require a “net debt” presentation for the Statement of Financial Position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Valuation of Financial Assets and Liabilities

The Corporation’s financial assets and liabilities are generally measured as follows:

| <u>Financial Statement Component</u> | <u>Measurement</u> |
|--|--------------------|
| Cash and cash equivalents | Fair value |
| Accounts receivable | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

With the exception of Cash, the Corporation does not carry any financial Assets or Liabilities at fair value and has no derivatives and no significant unsettled exchange gains or losses, as such, a Statement of Remeasurement Gains or Losses is not included in these financial statements.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recorded based on an assessment of collectability of accounts receivable. Amortization is based on the estimated useful lives of tangible capital assets.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|--------------------------------|----------------|
| Computer Hardware and Software | 3 Years |
| Leasehold Improvements | 10 and 5 Years |

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major system enhancements is \$100,000. The threshold for all other tangible capital assets is \$10,000. All land is capitalized.

Contributed tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Unless not reasonably determinable, contributed tangible capital assets are recorded at fair value.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Funds and Reserves

Certain amounts, as approved by the Board of Directors, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved (Note 8).

Note 3 Future Accounting Changes

PS 3260 Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Corporation would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 4 Cash and Cash Equivalents (in thousands)

| | 2014 | 2013 |
|---|-------------|-------------|
| Consolidated Cash Investment Trust Fund | \$ 864 | \$ 6,004 |
| Cash in Other Bank Accounts | 8,571 | 5,835 |
| | \$ 9,435 | \$ 11,839 |

Cash consists of funds in operating accounts and deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. For the year ended March 31, 2014, securities held by the CCITF had a time-weighted return of 1.2% per annum (2013 – 1.3% per annum).

Note 5 Accounts Receivable and Prepaid Expenses (in thousands)

Accounts receivable are unsecured and non-interest bearing.

| | 2014 | | 2013 | |
|---------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts Receivable | \$ 196 | \$ - | \$ 196 | \$ 63 |
| Prepaid Expenses | 238 | - | 238 | 123 |
| | \$ 434 | \$ - | \$ 434 | \$ 186 |

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 6 Tangible Capital Assets (in thousands)

| | 2014 | | | 2013 |
|----------------------------------|--------------------------------------|---------------------------|--------|--------|
| | Computer Hardware and Software | Leasehold Improvements | Total | Total |
| Estimated Useful Life | 3 years | 10 & 5 years | | |
| Historical Costs | | | | |
| Beginning of Year | \$ 319 | \$ 407 | \$ 726 | \$ 726 |
| Additions | - | 49 | 49 | - |
| Disposals, Including Write Downs | - | - | - | - |
| | 319 | 456 | 775 | 726 |
| Accumulated Amortization | | | | |
| Beginning of Year | 209 | 125 | 334 | 203 |
| Amortization Expense | 79 | 42 | 121 | 131 |
| Effect of Disposals | - | - | - | - |
| | 288 | 167 | 455 | 334 |
| Net Book Value at March 31, 2014 | \$ 31 | \$ 289 | \$ 320 | |
| Net Book Value at March 31, 2013 | | | | \$ 392 |

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 7 Accounts Payable and Accrued Liabilities (in thousands)

| | 2014 | 2013 |
|--------------------------------|-------------|-------------|
| Trade Accounts Payable | \$ 1,894 | \$ 3,386 |
| Accruals and Other Liabilities | 2,471 | 2,157 |
| | \$ 4,365 | \$ 5,543 |

Note 8 Accumulated Operating Surplus (in thousands)

Accumulated operating surplus is comprised of the following:

| | Investment in Tangible Capital Assets | Sustainability Fund Surplus ^(a) | Unrestricted Surplus | Total |
|--------------------------|--|---|-------------------------|----------|
| Balance April 1, 2013 | \$ 392 | \$ 6,482 | \$ - | \$ 6,874 |
| Annual Operating Deficit | (72) | (978) | - | (1,050) |
| Balance March 31, 2014 | \$ 320 | \$ 5,504 | - | \$ 5,824 |

^(a) The Sustainability Fund, approved by the Board of Directors, allows sustainability of programs in future years when declines in the tourism levy funding would otherwise have required reductions in the program spending.

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 9 Contractual Obligations (in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of the contracts or agreements are met.

| | 2014 | 2013 |
|--|-------------|-------------|
| Obligations Under Operating Leases, Contracts and Programs | | |
| Operating Leases | \$ 6,406 | \$ 7,062 |
| Service Contracts | 46,404 | 16,494 |
| | \$ 52,810 | \$ 23,556 |

Estimated payment requirements for obligations under operating leases, contracts and programs for the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

| | Total |
|-------------|-----------|
| 2014 – 2015 | \$ 18,744 |
| 2015 – 2016 | 15,711 |
| 2016 – 2017 | 15,104 |
| 2017 – 2018 | 1,141 |
| 2018 – 2019 | 1,185 |
| Thereafter | 925 |
| | \$ 52,810 |

Note 10 Benefit Plans (in thousands)

The Corporation participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,198 for the year ended March 31, 2014 (2013 - \$1,025). The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2013 the Management Employees Pension Plan reported a surplus of \$50,457 (2012 deficiency \$303,423), the Public Service Pension Plan reported a deficiency of \$1,254,678 (2012 deficiency \$1,645,141) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$12,384 (2012 deficiency \$51,870).

Travel Alberta
Notes to the Financial Statements
Year ended March 31, 2014

Note 11 Comparative Figures

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the Board of Directors on May 20, 2014.

Travel Alberta
Schedule to the Financial Statements – Schedule 1
Expenses – Detailed by Object
Year ended March 31
(in thousands)

| | <u>2014</u> | | <u>2013</u> |
|---|------------------|-----------------------|-----------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Actual</u> |
| Salaries, Wages and Employee Benefits | \$ 9,575 | \$ 8,802 | \$ 8,374 |
| Supplies and Services | 45,082 | 45,458 ^(a) | 47,799 ^(b) |
| Financial Transactions and Other | - | 3 | 3 |
| Amortization of Tangible Capital Assets | - | 121 | 131 |
| | <u>\$ 54,657</u> | <u>\$ 54,384</u> | <u>\$ 56,307</u> |

- (a) Includes severance and termination payments in the amount of \$32 related to individuals on Schedule 2.
(b) Includes severance and termination payments in the amount of \$11 related to individuals on Schedule 2.

Travel Alberta
Schedule to the Financial Statements - Schedule 2
Salary and Benefits Disclosure
Year ended March 31
(in thousands)

| | 2014 | | | 2013 | |
|---|-------------------------------|---------------------------------------|--|-------|----------------------|
| | Base Salary ^(a) | Other Cash Benefits ^(b) | Other Non-cash Benefits ^(c) | Total | Total ^(d) |
| | (in thousands) | | | | |
| Chairman of the Board | \$ - | \$ 19 | \$ - | \$ 19 | \$ 29 |
| Board Members ^(e) | - | 38 | 2 | 40 | 55 |
| Chief Executive Officer | 240 | 60 | 75 | 375 | 390 |
| Executives | | | | | |
| Chief Marketing Officer | 161 | 47 | 45 | 253 | 198 |
| Vice President, Operations & Chief Financial Officer ^(f) | 95 | 38 | 32 | 165 | - |
| Vice President, Industry Development ^(g) | 103 | 29 | 39 | 171 | 183 |
| Vice President, Community Relations | 123 | 16 | 33 | 172 | 147 |
| Executive Director, Finance & Administration ^(h) | 32 | 25 | 12 | 69 | 157 |
| Executive Director, Human Resources ⁽ⁱ⁾ | 75 | 55 | 21 | 151 | 158 |

(a) Base salary includes regular salary.

(b) Other cash benefits include honoraria, car allowances, vacation payouts, 2012/13 pay at risk and severance.

(c) Other non-cash benefits include Corporation's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plan, health care, dental coverage, group life insurance and professional memberships.

(d) The totals for 2013 have been restated to include the Corporation's share of Canada Pension Plan contributions for Board Members.

(e) The board consists of ten independent members including the Chairman, whose honorarium is disclosed separately. In addition, the Deputy Minister of Tourism, Parks and Recreation sits on the Board but receives no compensation from the Corporation.

(f) The Vice President, Operations & Chief Financial Officer position was occupied from August 22, 2013.

(g) The Vice President, Industry Development position was occupied from April 1 to April 23, 2013 and from August 1, 2013 on.

(h) The Executive Director, Finance & Administration position was occupied until July 1, 2013. This position was not replaced.

(i) The Executive Director, Human Resources position was occupied until October 31, 2013. This position was not replaced.

Travel Alberta
Schedule to the Financial Statements – Schedule 3
Related Party Transactions
Year ended March 31
(in thousands)

Related parties include those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

The Corporation and its employees paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

Related parties also include two private companies which have a significant shareholder acting as a director and officer who has served as a Director of Travel Alberta since April 1, 2013. One of the private companies provides printing services to Travel Alberta amounting to \$10 in 2014 (2013 - \$5). These services are provided on normal commercial terms which management believes represents fair value. The other private company holds a long term lease with Travel Alberta for its Calgary office premises. The lease has six remaining years at March 31, 2014 with a remaining contractual obligation of \$5,830. Travel Alberta entered into the lease contract in September 2009 and paid \$871 in 2014 (2013 - \$878) pursuant to the lease terms. The lease is based on normal commercial terms and management believes the lease terms represented fair value at the inception of the lease.

The Corporation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|-----------|----------------|-----------------------|
| | 2014 | 2013 | 2014 | 2013 |
| Revenues | | | | |
| Government of AB Transfer | \$ 50,539 | \$ 50,539 | \$ - | \$ - |
| Government of AB Transfer - 2013 Alberta Flood | 768 | - | - | - |
| Other Revenue | 32 | - | 13 | 21 |
| | \$ 51,339 | \$ 50,539 | \$ 13 | \$ 21 |
| Expenses | | | | |
| Other services | \$ 4 | \$ - | \$ 926 | \$ 934 ^(a) |
| Accounts Receivable | \$ 38 | \$ 11 | \$ 9 | \$ - |
| Accounts Payable | \$ - | \$ - | \$ 1 | \$ - |

(a) Other services related to private companies under Other Entities are disclosed for comparison purposes only, as the individual was appointed as a Director on April 1, 2013.

Alberta Sport, Recreation, Parks and Wildlife Foundation

Financial Statements
March 31, 2014

**Alberta Sport, Recreation, Parks and Wildlife Foundation
Financial Statements
March 31, 2014**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Expenses – Detailed by Object

Schedule 3 – Related Party Transactions

Schedule 4 – Accumulated Operating Surplus

Schedule 5 – Tangible Capital Assets

Independent Auditor's Report

To the Members of Alberta Sport, Recreation and Wildlife Foundation and the Minister of Tourism, Parks and Recreation

Report on the Financial Statements

I have audited the accompanying financial statements of the Alberta Sport, Recreation, Parks and Wildlife Foundation, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alberta Sport, Recreation, Parks and Wildlife Foundation as at March 31, 2014, and the results of its operations, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

Auditor General

June 3, 2014

Edmonton, Alberta

Alberta Sport, Recreation, Parks and Wildlife Foundation
Statement of Operations
Year ended March 31
(in thousands)

| | 2014 | | 2013 |
|---|----------------|---------------|---------------|
| | Budget | Actual | Actual |
| Revenues (Schedule 1) | | | |
| Government Transfers | | | |
| Government of Alberta Grants | \$ 21,355 | \$ 21,355 | \$ 23,379 |
| Federal and Other Government Grants | 378 | 544 | 438 |
| Investment Income | 275 | 122 | 492 |
| Premiums, Fees and Licenses | 230 | 239 | 205 |
| Donations and Other Contributions | 1,630 | 1,466 | 989 |
| Other Revenue | 503 | 280 | 355 |
| | <u>24,371</u> | <u>24,006</u> | <u>25,858</u> |
| Expenses (Note 2 (b)) | | | |
| Program (Schedule 2) | | | |
| Provincial Programs | 16,455 | 16,375 | 15,742 |
| Alberta and Interprovincial Games | 3,316 | 2,991 | 3,141 |
| Active Lifestyles | 1,918 | 2,209 | 2,214 |
| Municipal Recreation / Tourism Areas | 471 | 459 | 1,473 |
| High Performance Athlete Assistance | 810 | 784 | 913 |
| Provincial and Regional Development | - | - | 710 |
| Percy Page Centre | 423 | 272 | 326 |
| Parks and Wildlife Ventures | 385 | 321 | 492 |
| Other Initiatives | 123 | 128 | 35 |
| Administration | 482 | 422 | 435 |
| | <u>24,383</u> | <u>23,961</u> | <u>25,481</u> |
| Annual Operating (Deficit) Surplus | <u>\$ (12)</u> | <u>\$ 45</u> | <u>\$ 377</u> |

The accompanying notes and schedules are part of these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Statement of Financial Position
As at March 31
(in thousands)

| | 2014 | 2013 |
|--|-------------|-------------|
| Assets | | |
| Cash and Cash Equivalents (Note 5) | \$ 2,963 | \$ 3,062 |
| Accounts Receivable (Note 6) | 204 | 893 |
| Inventories and Prepaid Expenses (Note 7) | 47 | 65 |
| Endowment Restricted Cash (Note 8) | 443 | 442 |
| Tangible Capital Assets (Schedule 5) | 2,840 | 2,704 |
| | \$ 6,497 | \$ 7,166 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 704 | \$ 1,389 |
| Unearned Revenue | - | 28 |
| | 704 | 1,417 |
| Net Assets | | |
| Endowments (Note 8) | 568 | 564 |
| Accumulated Operating Surplus (Schedule 4) | 5,225 | 5,185 |
| | 5,793 | 5,749 |
| | \$ 6,497 | \$ 7,166 |

Contractual Obligations (Note 11)
Subsequent Event (Note 12)

The accompanying notes and schedules are part of these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Statement of Cash Flows
Year ended March 31
(in thousands)

| | 2014 | 2013 |
|---|-------------|-------------|
| Operating Transactions | | |
| Annual Operating Surplus | \$ 45 | \$ 377 |
| Non-cash Items: | | |
| Amortization of Tangible Capital Assets | 15 | 20 |
| Unearned Revenue Recognized as Revenue | (28) | 28 |
| Loss on Disposal of Tangible Capital Assets | - | 51 |
| | 32 | 476 |
| Decrease (Increase) in Accounts Receivable | 689 | (834) |
| Decrease (Increase) in Inventories and Prepaid Expenses | 18 | (4) |
| (Decrease) Increase in Accounts Payable and Accrued Liabilities | (685) | 712 |
| | 54 | 350 |
| Capital Transactions | | |
| Acquisition of Tangible Capital Assets | (153) | (423) |
| | (153) | (423) |
| Financing Transactions | | |
| Endowment Contributions | 1 | - |
| | 1 | - |
| Cash Provided by Financing Transactions | 1 | - |
| | 1 | - |
| Decrease in Cash and Cash Equivalents | (98) | (73) |
| Cash and Cash Equivalents at Beginning of Year | 3,504 | 3,577 |
| Cash and Cash Equivalents at End of Year | \$ 3,406 | \$ 3,504 |

The accompanying notes and schedules are part of these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 1 Authority and Purpose

The Alberta Sport, Recreation, Parks and Wildlife Foundation (Foundation) operates under the authority of the *Alberta Sport, Recreation, Parks and Wildlife Foundation Act*, Chapter A-34, Revised Statutes of Alberta 2000.

The purpose of the Foundation is to support enhancement of sport, recreation, parks and wildlife programs for all Albertans.

The Foundation is a Crown agent of the Government of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

The reporting entity is the Alberta Sport, Recreation, Parks and Wildlife Foundation, which is part of the Ministry of Tourism, Parks and Recreation (Ministry) and for which the Minister of Tourism, Parks and Recreation is accountable. The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenue Accounting Policy

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Government Transfers

Transfers from the Government of Alberta, federal and other governments and other government entities are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recorded as deferred revenue if the terms for use of the transfer, or the terms along with the Foundation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the terms are met and, when applicable, the Foundation complies with its communicated use of the transfer.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

All other government transfers, without terms for the use of the transfer, are recorded as revenue when the Foundation is eligible to receive the funds.

Donations and Non-government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recorded as revenue in the year received or in the year the funds are committed to the Foundation if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recorded as deferred revenue if the terms for their use, or the terms along with the Foundation's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Foundation complies with its communicated use.

In-kind donations of services and materials are recorded at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Foundation, the value of their services are not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Grants and Donations for Land

The Foundation records transfers and donations to buy land as a liability when received, and as revenue when the Foundation buys the land. The Foundation records in-kind contributions of land as revenue at the fair value of the land when a fair value can be reasonably determined. When the Foundation cannot determine the fair value, it records such in-kind contributions at nominal value.

Endowments

Donations, government transfers, and non-government contributions that must be maintained in perpetuity are recognized as a direct increase in endowment net assets when received or receivable. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are also recognized as a direct increase and decrease respectively in endowment net assets when received or receivable.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Investment Income

Investment income includes interest income and is recognized as revenue is earned.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Interest expense includes debt servicing costs such as amortization of discounts and premiums, foreign exchange gains and losses, and issuance costs.

Grants are recorded as expenses when the grant is authorized and eligibility criteria have been met by the recipient.

Net Assets/Net Liabilities

Net Assets/Net Liabilities represent the difference between the assets held by the Foundation and its liabilities.

Canadian public sector accounting standards require a “net debt” presentation for the Statement of Financial Position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as “net debt” or “net financial assets” as an indicator of the future revenues required to pay for past transactions and events. The Foundation operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Valuation of Financial Assets and Liabilities

The Foundation's financial assets and liabilities are generally measured as follows:

| <u>Financial Statement Component</u> | <u>Measurement</u> |
|--|--------------------|
| Cash and cash equivalents | Fair value |
| Accounts receivable | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |

With the exception of Cash, the Foundation does not carry any financial Assets or Liabilities at fair value and has no derivatives and no significant unsettled exchange gains or losses, as such, a Statement of Remeasurement Gains or Losses is not included in these financial statements.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recorded based on an assessment of collectability of accounts receivable. Amortization is based on the estimated useful lives of tangible capital assets.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Inventories

Assets held for sale that are expected to be sold within one year are considered financial assets. They are valued at the lower of cost or expected net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

Inventories held for consumption are valued at the lower of cost and net realizable value. Cost is determined on first in first out basis.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|-------------------------|--------------|
| Buildings | 40 Years |
| Furniture and Equipment | 5 – 10 Years |
| Land Improvements | 40 Years |

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Foundation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major system enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land is capitalized.

Contributed tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Unless not reasonably determinable, contributed tangible capital assets are recorded at fair value.

Works of art, historical treasures and collections are not recognized in these financial statements.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

Note 3 Future Accounting Changes

PS 3260 Liability for Contaminated Sites

In June 2010 the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The Foundation would recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. Management does not expect the implementation of this standard to have a significant impact on the financial statements.

Note 4 Budget (in thousands)

A preliminary business plan with a budgeted deficit of \$12 was approved by the Board on May 31, 2013 and the full financial plan was submitted to the Minister of Tourism, Parks and Recreation. The budget reported in the statement of operations reflects the original \$12 deficit.

Note 5 Cash and Cash Equivalents (in thousands)

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2014, securities held by the CCITF have a time-weighted return of 1.2% per annum (2013 – 1.3% per annum).

Cash in the amount of \$1,522 (2013 - \$1,570) has been externally restricted and \$134 (2013 - \$132) has been internally restricted and is therefore not available to pay for operating expenses (Schedule 4).

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 6 Accounts Receivable (in thousands)

Accounts receivable are unsecured and non-interest bearing.

| | 2014 | | 2013 | |
|---------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts Receivable | \$ 204 | \$ - | \$ 204 | \$ 893 |

Note 7 Inventories and Prepaid Expenses (in thousands)

| | 2014 | 2013 |
|------------------|-------------|-------------|
| Inventories | \$ 19 | \$ 22 |
| Prepaid Expenses | 28 | 43 |
| | \$ 47 | \$ 65 |

Note 8 Endowments (in thousands)

The composition of Endowments is as follows:

| | 2014 | 2013 |
|------------------------------|-------------|-------------|
| Balance at Beginning of Year | \$ 564 | \$ 565 |
| Endowments Contributions | 1 | - |
| Endowments Distributions | (4) | (4) |
| Re-invested Income | 7 | 3 |
| Balance at End of Year | \$ 568 | \$ 564 |

The Endowment Fund is made up of contributions by the Foundation \$206 (2013 – \$206) and Third Party \$237 (2013 – \$236). These funds are held to perpetuity and earn interest based on the CCITF time-weighted return of 1.2% per annum (2013 – 1.3% per annum).

The accumulated interest on the principal amount is available for distribution upon request by various sport organizations and individuals associated with the funds.

The Endowments were designed to help sport development in Alberta.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 9 Trust Fund (in thousands)

The Foundation is the beneficiary of a trust fund that is administered by the Royal Trust Corporation of Canada over which the Foundation has no power of administration or appropriation. Because the province has no equity in the fund and is only the beneficiary of the income portion of the fund, it is not included in the Foundation's financial statements.

At March 31, 2014 the trust fund was as follows:

| | 2014 | 2013 |
|----------------------------|-------------|-------------|
| Peaceful Valley Trust Fund | \$ 2,346 | \$ 2,153 |

The income generated from the trust fund is only recognized at the time of withdrawal. The funds are restricted and are to be used for the maintenance or expansion of Peaceful Valley.

Note 10 Honoraria (in thousands)

| | 2014 | | | 2013 | |
|----------------------|--------------------------|--|-------|-------------|----|
| | Honoraria ^(a) | Benefits and Allowances ^(b) | Total | Total | |
| Board ^(c) | | | | | |
| Chair | \$ 53 | \$ - | \$ 53 | \$ | 23 |
| Other Members (6) | 29 | - | 29 | | 58 |
| | \$ 82 | \$ - | \$ 82 | \$ | 81 |

(a) The Foundation has no employees. Staff of the Department of Tourism, Parks and Recreation administer the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Board Directive 12/98 as amended, is included in the financial statements of the Department of Tourism, Parks and Recreation.

(b) No benefits were provided to board members.

(c) Members appointed to the Foundation's board are paid honoraria for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, to attend out-of-town meetings and for attending to other Foundation duties.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Notes to the Financial Statements
Year ended March 31, 2014

Note 11 Contractual Obligations (in thousands)

Contractual obligations are obligations of the Foundation to others that will become liabilities in the future when the terms of those contracts or agreements are met.

| | 2014 | 2013 |
|--|-------------|-------------|
| Obligations Under Operating Leases, Contracts and Programs | | |
| Grant Agreements | \$ 510 | \$ 270 |
| Operating Leases | 137 | 233 |
| Service Contracts | 450 | 227 |
| | \$ 1,097 | \$ 730 |

Estimated payment requirements for each of the next three years are as follows:

| <u>Obligations Under Operating Leases, Contracts and Programs</u> | |
|---|----------|
| | Total |
| 2014 – 2015 | \$ 955 |
| 2015 – 2016 | 132 |
| 2016 – 2017 | 10 |
| | \$ 1,097 |

Note 12 Subsequent Events

The Alberta Sport, Recreation, Parks and Wildlife Foundation began operating as the Alberta Sport Connection on April 1, 2014. The Alberta Sport Connection mandate has changed to a focus on sport with a minor focus on parks and wildlife. The Alberta Sport, Recreation, Parks and Wildlife Foundation will transfer the agreed upon programs or portion thereof to the Department along with the associated budgets of \$3,425, operating expenses of \$3,425, revenue of \$253 and tangible capital assets of \$7 resulting in a net decrease in net assets of \$260.

Note 13 Comparative Figures

Certain 2013 figures have been reclassified to conform to the 2014 presentation.

Note 14 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Schedule to the Financial Statements – Schedule 1
Revenues
Year ended March 31
(in thousands)

| | <u>2014</u> | | <u>2013</u> |
|-------------------------------------|------------------|------------------|------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Actual</u> |
| Government Transfers | | | |
| Government of Alberta Grants | | | |
| Tourism, Parks and Recreation | \$ 21,355 | \$ 21,355 | \$ 23,379 |
| Federal and Other Government Grants | 378 | 544 | 438 |
| Investment Income | | | |
| Interest | 275 | 122 | 492 |
| Premiums, Fees and Licenses | | | |
| Alberta Games Registration Fees | 175 | 180 | 189 |
| Alberta's Future Leaders Fees | 15 | 16 | 16 |
| Conference Fees | 40 | 43 | - |
| | 230 | 239 | 205 |
| Donations and Other Contributions | | | |
| Donations | 750 | 1,206 | 735 |
| Sponsorship | 880 | 260 | 254 |
| | 1,630 | 1,466 | 989 |
| Sales of Services and Products | | | |
| Percy Page Centre | 448 | 209 | 272 |
| Parks and Wildlife Ventures | - | 7 | 7 |
| | 448 | 216 | 279 |
| Other Revenue | | | |
| Miscellaneous | 35 | 48 | 39 |
| Refunds of Expenses | 20 | 16 | 37 |
| | 55 | 64 | 76 |
| Total Revenues | \$ 24,371 | \$ 24,006 | \$ 25,858 |

Alberta Sport, Recreation, Parks and Wildlife Foundation
Schedule to the Financial Statements – Schedule 2
Expenses – Detailed by Object
Year ended March 31
(in thousands)

| | 2014 | | 2013 |
|---|------------------|------------------|------------------|
| | Budget | Actual | Actual |
| Supplies and Services ^(a) | \$ 2,912 | \$ 2,970 | \$ 1,943 |
| Supplies and Services from Support Service Arrangements with Related Parties ^(b) | 3,246 | 3,247 | 3,187 |
| Grants | 18,213 | 17,717 | 20,280 |
| Amortization of Tangible Capital Assets | 12 | 15 | 20 |
| Other (Write-offs and Losses) | - | 12 | 51 |
| | <u>\$ 24,383</u> | <u>\$ 23,961</u> | <u>\$ 25,481</u> |

(a) Included in supplies and services is the honoraria paid to the Foundation Board of Directors (Note 10).

(b) The Foundation receives financial and administrative services from the Department of Tourism, Parks and Recreation.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Schedule to the Financial Statements – Schedule 3
Related Party Transactions
Year ended March 31
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

The Foundation paid or collected certain taxes and fees set by regulation for permits, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Foundation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

| | Entities in the Ministry | | Other Entities | |
|----------------------|--------------------------|-----------|----------------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| Revenues | | | | |
| Government Transfers | \$ 21,355 | \$ 23,379 | \$ - | \$ - |
| Expenses | | | | |
| Grants | \$ - | \$ - | \$ 2,027 | \$ 2,056 |
| Other services | - | - | 27 | 22 |
| | \$ - | \$ - | \$ 2,054 | \$ 2,078 |
| Accounts Receivable | \$ - | \$ 300 | \$ - | \$ - |
| Accounts Payable | \$ - | \$ 20 | \$ - | \$ - |

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Schedule to the Financial Statements – Schedule 4
Accumulated Operating Surplus
Year ended March 31
(in thousands)

| | Balance at Beginning of Year | Annual Operating Surplus (Deficit) | Net Remeasurement Gains / (Losses) | Net Investment in Capital Assets | Transfers | Balance at End of Year |
|---|------------------------------------|---|--|--|-------------|---------------------------|
| Internally Restricted Endowment Funds ^(a) | \$ 75 | \$ 1 | \$ - | \$ - | \$ - | \$ 76 |
| Externally Restricted Endowment Funds ^(a) | 233 | (6) | - | - | - | 227 |
| Externally Restricted Imrie Park Funds ^(b) | 861 | (23) | - | (9) | - | 829 |
| Externally Restricted Peaceful Valley Funds ^(c) | 256 | (7) | - | - | - | 249 |
| Other Externally Restricted Funds ^(b) | 80 | 7 | - | - | - | 87 |
| Alberta's Future Leaders Restricted Funds ^(d) | (12) | 19 | - | - | - | 7 |
| Investment in Tangible Capital Assets Internally Restricted ^(e) | 2,617 | (10) | - | 153 | - | 2,760 |
| Investment in Tangible Capital Assets Unrestricted ^(f) | 87 | (7) | - | - | - | 80 |
| Unrestricted ^(g) | 988 | (78) | - | - | - | 910 |
| Total | \$ 5,185 | \$ (104) | \$ - | \$ 144 | \$ - | \$ 5,225 |

- ^(a) To support individuals with a special need.
- ^(b) To support public access to a conservation setting.
- ^(c) To allow an opportunity for Albertans in long-term care to be able to visit a conservation setting.
- ^(d) To provide sport and recreation opportunities for First Nation and Metis Youth.
- ^(e) Represents the fixed assets for public use in a conservation setting.
- ^(f) To support the operations of the Foundation at Pery Page Center and the Alberta Games.
- ^(g) Represents the cash from operations.

Alberta Sport, Recreation, Parks and Wildlife Foundation
Schedule to the Financial Statements – Schedule 5
Tangible Capital Assets
Year ended March 31
(in thousands)

| | 2014 | | | | 2013 | |
|---|-----------------|-----------------------|---------------------------|----------------------------------|-----------------|-----------------|
| | Land | Buildings 40 years | Equipment 5 - 10 years | Land Improvements 40 years | Total | Total |
| Estimated Useful Life | Indefinite | | | | | |
| Historical Costs | | | | | | |
| Beginning of Year | \$ 2,457 | \$ 266 | \$ 76 | \$ 40 | \$ 2,839 | \$ 2,472 |
| Additions | 144 | 9 | - | - | 153 | 423 |
| Disposals, Including Write-Downs | - | - | - | - | - | (53) |
| | <u>\$ 2,601</u> | <u>\$ 275</u> | <u>\$ 76</u> | <u>\$ 40</u> | <u>\$ 2,992</u> | <u>\$ 2,842</u> |
| Accumulated Amortization | | | | | | |
| Beginning of Year | \$ - | \$ 99 | \$ 36 | \$ 2 | \$ 137 | \$ 120 |
| Amortization Expense | - | 7 | 7 | 1 | 15 | 20 |
| Effect of Disposals | - | - | - | - | - | (2) |
| | <u>\$ -</u> | <u>\$ 106</u> | <u>\$ 43</u> | <u>\$ 3</u> | <u>\$ 152</u> | <u>\$ 138</u> |
| Net Book Value at March 31, 2014 | <u>\$ 2,601</u> | <u>\$ 169</u> | <u>\$ 33</u> | <u>\$ 37</u> | <u>\$ 2,840</u> | |
| Net Book Value at March 31, 2013 | <u>\$ 2,457</u> | <u>\$ 168</u> | <u>\$ 41</u> | <u>\$ 38</u> | <u>\$ 2,704</u> | |

Other Information

Ministry of Tourism, Parks and Recreation Statements of Writeoffs Year Ended March 31, 2014

The following information is unaudited:

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act* and is unaudited. This statement includes all writeoffs made or approved during the fiscal period.

Writeoffs

| | |
|---------------------|--------------|
| Accounts Receivable | \$807 |
| Total Writeoffs | <u>\$807</u> |

Statutory Report

Public Interest Disclosure Act

Section 32 of the *Public Interest Disclosure Act* requires the ministry to report annually on the following parts of the Act:

- (a) the number of disclosures received by the designated officer of the Public Interest Disclosure Office, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- (b) the number of investigations commenced by the designated officer as a result of disclosures;
- (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

In 2013-14, for the ministry, there were no disclosures of wrongdoing filed with the Public Interest Disclosure Office.

Acts Administered by Tourism, Parks and Recreation

Tourism, Parks and Recreation is responsible for a wide array of acts that have a direct impact on quality of life in Alberta. Below is a list of all acts administered by Tourism, Parks and Recreation. If you would like to review these acts in more detail, they are included on the ministry's website (<http://www.tpr.alberta.ca/about/legislation>).

| NAME OF ACT | DESCRIPTION |
|---|--|
| <i>Alberta Sport, Recreation, Parks and Wildlife Foundation Act</i> | Establishes the foundation with its mandate to develop and maintain sport, park and recreation programs, facilities and services, raise funds, provide grants and acquire real and personal property. |
| <i>Black Creek Heritage Rangeland Trails Act</i> | Provides for the establishment, protection and management of the Black Creek Heritage Rangeland Trails. (Unproclaimed) |
| <i>Provincial Parks Act</i> | Provides for the establishment, protection, management, planning and control of provincial parks, wildland parks and provincial recreation areas. |
| <i>Recreation Development Act</i> | Provides for promoting and encouraging the orderly development of recreation activities and facilities. |
| <i>Travel Alberta Act</i> | Establishes the corporation with its mandate to market the tourism assets, attractions and opportunities present in Alberta in domestic, national and international markets; to promote Alberta as a destination for tourists and other visitors; and to assist Alberta's tourism industry operators to market their products. |
| <i>Wilderness Areas, Ecological Reserves, Natural Areas and Heritage Rangelands Act</i> | Provides for the establishment, protection and management of wilderness areas, ecological reserves, natural areas and heritage rangelands. |
| <i>Willmore Wilderness Park Act</i> | Establishes and protects the Willmore Wilderness Park. |

Performance Measures: Data Source and Methodology

Tourism Division Client Satisfaction Survey

(Measure: 1.a)

The Client Satisfaction Survey was conducted with public and private sector representatives who had received tourism development information, advice and assistance from the Tourism Division. Banister Research and Consulting Inc. was responsible for reviewing the survey and questionnaire design, data quality control, analysis and report preparation. Respondents were given the choice of completing the survey online or by telephone. Data for the online surveys and telephone interviews was collected from March 21 to April 7, 2014 resulting in 109 survey completions. Overall results were determined using the top two combined response categories of a five-point rating scale for the categories: very satisfied, somewhat satisfied, neutral, somewhat dissatisfied and very dissatisfied. The response rate for the survey was 59.2 per cent and the margin of error is +/-6.0 per cent, 19 times out of 20.

Statistics Canada, Travel Survey of Residents of Canada, International Travel Survey; and Tourism, Parks and Recreation

(Measure: 1.b)

The total value of tourism expenditures in Alberta is derived by Tourism, Parks and Recreation from the data published by Statistics Canada in the Travel Survey of Residents of Canada and the International Travel Survey.

The 2013 result from Statistics Canada has not yet been released. Since 2011, data for the Travel Survey of Residents of Canada are no longer comparable with previous years.

The Travel Survey of Residents of Canada and International Travel Survey are both undertaken by Statistics Canada and sponsored by the Canadian Tourism Commission, Statistics Canada, provincial/territorial tourism agencies and other federal government departments. The Travel Survey of Residents of Canada began in 2005, replacing the Canadian Travel Survey. The International Travel Survey is administered as part of the International Travel Survey program and has been conducted since 1972. Both surveys are designed to meet the requirements of the Balance of Payments accounts of the Canadian System of National Accounts and provide information on the volume and value of domestic and international tourism in Canada. The visitor data are used by Federal-Provincial-Territorial tourism marketing agencies and to guide tourism policy in Canada and the respective provinces and territories.

Visitor Information Centre Satisfaction Survey

(Measure: 1.c)

Data was obtained from the visitor information centre satisfaction survey conducted by the research firm, Ipsos Reid. The research firm conducted exit interviews at 10 provincial visitor information centres between July 16 and August 7, 2013. The centres include: Canmore, Field, Crowsnest Pass, West Glacier, Lloydminster, Oyen, Walsh, Milk River, Hinton and Grande Prairie. To ensure a variety of travellers were included, the interviews were spread across weekends and weekdays, during the peak visitor season. Respondents were asked to rate the service on a scale of 1 to 5, where 1 means very dissatisfied and 5 means very satisfied. In 2013, 982 onsite exit surveys were conducted. The margin of error is +/-3.1 per cent, 19 times out of 20.

Tourism, Parks and Recreation Survey of Albertans

(Measures: 2.a, 3.a)

The Tourism, Parks and Recreation Survey of Albertans is a provincewide telephone survey of adult Albertans. Leger conducted this survey and collected 1,000 responses using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. Albertans were asked about their use of provincial parks; and if they had participated in recreational activities such as walking, bicycling, skiing, golfing, skating, swimming and amateur sports in the past year. Interviews were conducted from February 13 to March 9, 2014 by trained and experienced interviewers. The interviews were monitored in progress and at least 10.0 per cent of each interviewer's work was directly monitored. The response rate for the survey was 26.6 per cent and the margin of error is +/- 3.1 per cent, 19 times out of 20.

Canadian Community Health Survey

(Measure: 3.b)

The Canadian Community Health Survey used for monitoring the physical activity levels of youth is released by Statistics Canada in June. An online update of this measure will be posted when the information is available.

Readership Survey

Tourism, Parks and Recreation 2013-14 Annual Report

Thank you for reading the Tourism, Parks and Recreation 2013-14 Annual Report. We hope that you will take a few minutes to complete this readership survey. We are committed to continuous improvement and welcome your feedback and suggestions.

Instructions:

Please read each question carefully and circle the rating that best describes your response. If you require more space for your response, please use a separate piece of paper and identify the corresponding question clearly. If you have any questions, or require further clarification, contact Brad Babiak at 780-644-3272 or brad.babiak@gov.ab.ca.

If you would like to be contacted regarding your feedback, please provide your information below.

Name:

Organization:

Telephone Number:

Email:

1. Having read the Tourism, Parks and Recreation 2013-14 Annual Report, how would you rate it overall on the following characteristics? Using scale one to five, where ONE is STRONGLY DISAGREE, THREE is NEUTRAL, and FIVE is STRONGLY AGREE, do you agree that... *(Please circle only one rating number for each statement.)*

| | strongly disagree | | neutral | | strongly agree |
|--|--------------------------|---|----------------|---|-----------------------|
| I learned something new about the ministry reading this report | 1 | 2 | 3 | 4 | 5 |
| This annual report is easy to read | 1 | 2 | 3 | 4 | 5 |
| This annual report was informative and useful to me | 1 | 2 | 3 | 4 | 5 |
| The report has an appealing format/look | 1 | 2 | 3 | 4 | 5 |
| I can easily find the information that I am looking for | 1 | 2 | 3 | 4 | 5 |
| I plan on using this annual report as a reference..... | 1 | 2 | 3 | 4 | 5 |
| Overall, this annual report meets my needs as a reader | 1 | 2 | 3 | 4 | 5 |

2. What areas or features did you like the most about this annual report?

3. What areas or features would you recommend for further improvement?

Please tear out this survey and fax it to 780-427-0255 or mail it to Tourism, Parks and Recreation, Planning and Performance Measurement, 7th Floor, Standard Life Centre, 10405 Jasper Avenue, Edmonton, Alberta, Canada, T5J 4R7

