

GOVERNMENT OF ALBERTA



Tourism and Sport

Annual Report

2023-24

Alberta 

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Table of Contents

Preface	2
Minister’s Accountability Statement	3
Message from the Minister	4
Management’s Responsibility for Reporting	5
Results Analysis	7
Ministry Overview	8
Discussion and Analysis of Results	11
Performance Measure and Indicator Methodology	16
Additional Performance Metrics	19
Financial Information	22
Reporting Entity and Method Consolidation	23
Ministry Financial Highlights	24
Supplemental Financial Information	30
Financial Statements of Other Reporting Entities	32
Other Financial Information	59
Annual Report Extracts and Other Statutory Reports	62

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Sustainable Fiscal Planning and Reporting Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each ministry.

On June 9, 2023, the government announced new ministry structures. As such, certain responsibilities of the former Ministries of Culture and Forestry, Parks and Tourism were transferred to the Ministry of Tourism and Sport. The 2023-24 Annual Report reflects the 2023-26 Ministry Business Plans, the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2023-24 fiscal year, which ended on March 31, 2024.

The Annual Report of the Government of Alberta contains Budget 2023 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Tourism and Sport contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, 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 Travel Alberta for which the minister is responsible;
- other financial information as required by the *Financial Administration Act* and *Sustainable Fiscal Planning and Reporting Act*, as separate reports, to the extent that the ministry has anything to report.

All Ministry Annual Reports should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability, and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2024, was prepared under my direction in accordance with the *Sustainable Fiscal Planning and Reporting Act* and the government's accounting policies. All the government's policy decisions as at June 3, 2024, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed]

The Honourable Joseph Schow

Minister of Tourism and Sport

Tourism and Sport includes the department and Travel Alberta.

Message from the Minister



The Ministry of Tourism and Sport was established in June 2023 to champion tourism and sport initiatives across Alberta. In under a year, we have made great progress towards our mandate to strengthen our tourism and sport sectors to support Alberta's growth and diversification.

Our government is committed to ensuring Albertans of all ages and abilities have access to sport and recreation. The ministry continues its *Every Kid Can Play* program, providing families in need with assistance for sport program registration fees. In addition, through the new Active Communities Initiative, our government is investing \$30 million to expand sport and recreational facilities across the province that serve as vital hubs, providing social, mental, and physical benefits for communities.

The Alberta Games resumed this year, with the Alberta Summer Games in Okotoks in July 2023 and the Alberta Winter Games in Grande Prairie in February 2024, bringing together thousands of youth athletes across the province to showcase excellence in sport. Additionally, Team Alberta North competed at the Arctic Winter Games in Mat-Su Borough, Alaska in February 2024, building cultural bridges across the Arctic nations and showcasing athletic talents.

Alberta has a proven track record of successfully hosting major sport and international events. Through the Major Sport Events grant program, Alberta has hosted 13 events with multi-million-dollar economic impacts, bringing visitors and viewership from across the country and the world.

Through investments in and the work of Travel Alberta, Alberta's visitor economy recovered two years ahead of schedule and continues to gain momentum. This tourism boom means jobs and economic growth. Travel Alberta invested millions into high-yield tourism products, supported the development of destinations in every corner of our province, significantly improved air access into the province, and fostered international partnerships to showcase Alberta across the world. It's clear: the world wants more Alberta. And when visitors arrive, they discover what we who call this place home already know — our gorgeous natural landscapes, incredible cultures and warm hospitality are second to none.

In February 2024, Tourism and Sport launched the provincial Tourism Strategy with the ambitious goal of growing Alberta's visitor economy from \$10 billion per year in visitor spending to \$25 billion annually by 2035. In addition, the ministry worked with Immigration and Multiculturalism to launch a dedicated tourism and hospitality immigration stream to help meet the labour demands of our growing visitor economy.

I am proud of the work that the ministry accomplished in 2023-24 — work that will continue to make a positive impact well into the future. As Minister of Tourism and Sport, I look forward to the year ahead as we continue to make Alberta the best place in the world to live, visit, and play.

[Original signed]

Joseph Schow
Minister

Management's Responsibility for Reporting

The Ministry of Tourism and Sport includes: The Department of Tourism and Sport and Travel Alberta.

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 accompanying ministry financial information and performance results for the ministry rests with the Minister of Tourism and Sport. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry Business Plan, and performance results for all ministry-supported commitments that were included in the 2023-26 Government of Alberta Strategic Plan. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliable – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandable – the performance measure methodologies and results are presented clearly.
- Comparable – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Complete – outcomes, performance measures, and related targets match those included in the ministry's *Budget 2023*.

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;

Introduction

- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Tourism and Sport the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

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

[Original signed]

Deputy Minister David F. Goldstein
Deputy Minister of Tourism and Sport
Date June 3, 2024

Results Analysis

Table of Contents

Ministry Overview.....	8
Organizational Structure	8
Operational Overview	8
Key Highlights	10
Discussion and Analysis of Results.....	11
Actions that support the priorities of the Government of Alberta Strategic Plan.....	11
Outcome One (From Culture):.....	12
Outcome Two (From Culture):.....	12
Outcome Two (From Forestry, Parks and Tourism):	14
Performance Measure and Indicator Methodology.....	16
Additional Performance Metrics	19

Ministry Overview

The Ministry of Tourism and Sport consists of the Department of Tourism and Sport and Travel Alberta.

Organizational Structure



Operational Overview

Tourism and Sport aligned its services in 2023-24 under three outcomes, previously identified in the 2023-26 Culture and Forestry, Parks and Tourism business plans.

- Outcome One (From Culture): Creative and cultural industries, civil society and Alberta’s heritage sector flourish and grow in an environment that stimulates innovation, investment, and economic growth.
- Outcome Two (From Culture): All Albertans have the opportunity to enjoy and benefit from vibrant, inclusive, and active communities through cultural and recreational opportunities and services that enrich their lives.
- Outcome Two (From Forestry, Parks and Tourism): Provide timely transparent decisions to support environmentally sustainable forestry, natural resource, and tourism economic opportunities consistent with government plans and policy.

The ministry works with Albertans, other governments, Indigenous communities, non-profit organizations, and the private sector to grow Alberta’s visitor economy. Tourism is an economic driver with linkages to many related industries such as transportation, accommodations, food and beverage, recreation retail; and has a broad and diversifying effect on Alberta’s economy. There are opportunities for Alberta’s tourism industry to further contribute to economic growth and diversification while raising awareness and a positive image of Alberta in the global marketplace. Growth of the tourism industry also enhances quality of life and rural economic development across the province. Travel Alberta contributes by supporting the growth of the tourism industry through marketing and helping businesses and communities develop must-see tourism products such as unique accommodation, experiences and destinations, as well as ensuring visitors can easily access them. Alberta’s tourism economy attracts millions of visitors each year.

The ministry works with Albertans, other governments and non-profit organizations to grow Alberta’s amateur sport system and host sport events in Alberta. The ministry also delivers social

benefits by promoting safe and welcoming environments for sport, physical activity and recreation, and supporting the development of Alberta's amateur athletes at the provincial, national and international levels.

The Government of Alberta is prioritizing economic growth and diversification, and a fiscally responsible approach to ensure sustainable, high-quality public services are provided to those who need them, when they need them. Tourism and Sport's programs support that goal.

Sport, Physical Activity and Recreation Branch

The Sport, Physical Activity, and Recreation Branch supports Alberta's non-profit sport system to deliver affordable access to sport and recreation activities. The branch provides training and offers operating grant and award programs, including the administration of the Major Sport Event grant program, the Sport, Physical Activity and Recreation Donation Fund program, and the Active Communities Initiative.

Tourism Policy and Strategy Branch

The Tourism Policy and Strategy Branch supports the growth and diversification of the tourism sector in Alberta. The Branch is responsible for the implementation of Higher Ground: A Tourism Sector Strategy, with a target of growing Alberta's visitor economy from \$10 billion in annual visitor expenditures to \$25 billion by 2035.

Travel Alberta

Travel Alberta is the destination management organization of the Government of Alberta. Established as a Crown corporation on April 1, 2009, Travel Alberta operates under the authority of the *Travel Alberta Act* within the Ministry of Tourism and Sport. Travel Alberta provides the Alberta tourism industry with the tools, resources and information necessary to market their businesses effectively, leverage strategic marketing partnerships and drive a return on their marketing investments.

Key Highlights

The Ministry of Tourism and Sport focused on accomplishing three outcomes identified in the 2023-26 Ministry Business Plan:

- Outcome One (From Culture): Creative and cultural industries, civil society and Alberta's heritage sector flourish and grow in an environment that stimulates innovation, investment, and economic growth.
- Outcome Two (From Culture): All Albertans have the opportunity to enjoy and benefit from vibrant, inclusive, and active communities through cultural and recreational opportunities and services that enrich their lives.
- Outcome Two (From Forestry, Parks and Tourism): Provide timely transparent decisions to support environmentally sustainable forestry, natural resource, and tourism economic opportunities consistent with government plans and policy.

Key highlights and results achieved by the Ministry of Tourism and Sport in 2023-24 include:

In February 2024, the ministry launched Higher Ground: A Tourism Sector Strategy, which targets to grow Alberta's visitor economy from \$10 billion annually in visitor expenditures to \$25 billion by 2035.

Visitor spending increased 23 per cent over 2022, with continual growth for the first three quarters of 2023. International expenditures surpassed pre-pandemic levels, and domestic expenditures experienced 9 per cent year-over-year growth. Through Travel Alberta, over \$10 million was allocated in 2023-24 to support the Air Access Expansion Strategy, with objectives to recover the air routes lost during the pandemic and increase air service access for international visitors via new routes to Alberta. Investments were directed into the international markets of France, Germany, Japan, and more, with additional investments made into cross-border direct routes arriving from Texas, New York, California, Washington, Georgia, and Minnesota. In total, 152,000 new airline seats were generated into Alberta yielding a return of 10.6:1 of incremental tourism spend.

Through Travel Alberta's tourism investment program, projects were funded in more than 70 communities across the province in 2023-24. More than 60 per cent of projects funded were in smaller urban and rural areas of Alberta. The \$7.1 million of investment attracted \$63.3 million in private capital through the Product Development program and returned an investment ratio of 1:8.9, resulting in a leverage ratio exceeding Travel Alberta's target ratio of 1:3.

The Major Sport Event (MSE) grant program provided over \$2.5 million in funding in the 2023-2024 fiscal year to support 31 national and international sport events.

The Every Kid Can Play program was announced in Spring 2023, with a budget of \$8 million to ensure that more Alberta children have the opportunity to participate in sport and recreation programs. Alberta's government provided almost \$3.5 million to KidSport Alberta to subsidize registration costs for families facing financial barriers. More than \$3 million was provided to non-profit organizations with a provincial scope and close to \$1 million was provided to community-level non-profit organizations to increase affordability and access to sport, physical activity and recreation.

The Ministry of Tourism and Sport remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasize outcomes, to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

Discussion and Analysis of Results

Actions that support the priorities of the Government of Alberta Strategic Plan

Key Priority Two:

Standing up for Albertans

Objective eight: Building better communities.

Action: Increasing affordable access to sport, physical activity, and recreation for Alberta youth and families by introducing the Every Kid Can Play program, making recreation more accessible for children and youth from low-income families. Additionally, government is increasing funding to the Community Facility Enhancement Program (CFEP) supporting non-profit organizations' ability to purchase, build, renovate, or upgrade sports, recreational, and cultural community facilities. These projects support vibrant communities across the province and create opportunities for Albertans to engage with their communities.

Detailed reporting found on page 14

Outcome One (From Culture):

Creative and cultural industries, civil society and Alberta’s heritage sector flourish and grow in an environment that stimulates innovation, investment, and economic growth.

Key Objectives

1.1 Stand up for Albertans by advocating for equitable federal funding for Alberta’s arts, culture, sport, and heritage sectors and increased federal funding for the provision of government services and programs in French.

The Sport, Physical Activity, and Recreation (SPAR) Branch continued its support and promotion of Federal Provincial and Territorial initiatives such as Concussion Awareness, Safe Sport training, and eliminating maltreatment in sport. SPAR’s ongoing collaboration with stakeholders assisted policy alignment with the Universal Code of Conduct to Prevent and Address Maltreatment in Sport (UCCM) and funded the Safe Sport Support Program in partnership with the InMotion Network. The Ministry also worked with the Sport Medicine Council of Alberta to promote Alberta Concussion Awareness Day, which was held on September 27, 2023.

Outcome Two (From Culture):

All Albertans have the opportunity to enjoy and benefit from vibrant, inclusive, and active communities through cultural and recreational opportunities and services that enrich their lives.

Key Objectives

2.1 Support affordable access to sport and recreation opportunities through delivery of sport, physical activity, and recreation programming in order to improve Alberta youth and families’ health and wellbeing.

The Major Sport Event grant program provides funding for hosting national and international events with an annual budget of \$2.5 million.

The grant program delivered financial assistance, providing maximum funding of up to \$250,000 per single event, to enhance the capacity of organizations to plan and host national and international cultural and sport events that support sport development, tourism and provide economic impact. The Major Sport Event grant program was built on Alberta’s reputation as an attractive destination and our successful history of hosting world-class cultural and sport events. MSE grants supported several world-class sport events in 2023, including competitions in indoor tennis at the Calgary National Bank Challenger, competitions in judo at the Cadet Junior Pan-Am Oceania Championships in Calgary, and the Men’s Pan-Am Final Six Volleyball Championship in Edmonton.

In early 2024, MSE grants supported world-class sport events such as the BMW International Biathlon Union World Cup Final in Canmore, the International Speed Skating Union Speed Skating Championships, and the Scotties Tournament of Hearts in Calgary. These events created opportunities for Albertans to share in the excitement of participating here at home and showcasing Alberta talent, while building upon Alberta’s reputation as an attractive travel destination for visitors from around the world.

Ministry grants are essential to the ministry's goal of encouraging Albertans to be more active, more often, through safe and quality programs. The ministry provides approximately \$8.5 million annually in operating grants to over 100 sport, physical activity, and recreation organizations, including 72 provincial sport organizations. These grants supported the participation of Albertans of all ages, skill level and under-represented populations (e.g., Indigenous peoples, new Canadians, Albertans experiencing economic challenges, persons with a disability, and women and girls). Alberta invested in multisport organizations such as the Indigenous Sports Council Alberta, KidSport Alberta, Alberta 55 Plus, and disability sport organizations that included Wheelchair Sports Alberta and Special Olympics Alberta. The Ministry also invested in the InMotion Network, which supports the growth of female participation and leadership in sport.

The Arctic Winter Games, established in 1970, were founded to foster competitive opportunities for northern athletes. The Games are held every two years and continue under the mission of athletic competition, cultural exhibition, and social interchange. Alberta has been a permanent member of the Arctic Winter Games International Committee since 1988. The Games have become a key sport development opportunity for athletes and coaches in northern Alberta. 250 members from Team Alberta North traveled to Mat-Su, Alaska, United States, to participate in the 2024 Arctic Winter Games, which took place from March 10-16, 2024.

Alberta has participated in the Arctic Winter Games since 1986.

Team Alberta North consisted of 21 teams that competed in 17 sports and culture activities throughout six days of competition. Athletes participated in badminton, ski biathlon, cross-country skiing, curling, snowshoeing and hockey. The arctic sports and Dene games events included traditional Inuit and Dene games such as High Kick, Kneel Jump, Sledge Jump, Triple Jump, Airplane, One Hand Reach, Head Pull and Knuckle Hop. Alberta's government supported Team Alberta North with \$1 million to cover costs such as transportation, staffing, and operations, and a grant of \$100,000 for athlete selection and training.

Since 1974, Alberta's government has been proud to provide thousands of young Albertans the opportunity to strive towards achieving their athletic potential by supporting their provincial-level competition through the Alberta Summer and Winter Games. Currently, the Alberta government provides \$820,000 to each Alberta Games' Host Society/Community. The most recent Alberta Summer Games in 2023, brought in just under 10,000 visitors and provided an economic benefit of nearly \$9.5 million for the host communities of Okotoks and Black Diamond. Tourism and Sport worked closely with the host community of Grande Prairie to prepare for the 2024 Alberta Winter Games that took place from February 16-19. The games included almost 2,000 participants, competing in close to 20 different sports.

Alberta has provided its high-performance athletes with funding through the Podium Alberta grant program established in 2007. The Podium Alberta program supports Alberta's high performing athletes by helping them continue their pursuit of athletic excellence at the highest levels of national and international competition; encouraging athletes to stay in Alberta to live and train; enabling athletes to successfully pursue excellence in sport while fulfilling their educational goals;

Since 2008, Podium Alberta has provided over 3,700 grants worth almost \$14 million.

increasing athlete access to high-performance coaching and sports science practitioners; and enhancing training and competitive opportunities available to athletes. In 2023, Podium Alberta grants totaling approximately \$700,000, assisted 232 athletes competing on the world stage in 38 sports.

The Government of Alberta recognizes the challenges Albertans can face in accessing affordable sport, physical activity and recreation programs, and what an important role sport plays in the early stages of a child's life. It teaches teamwork, builds confidence and promotes healthy lifestyles that can last well into adulthood. Sport and recreation opportunities should be affordable and accessible for all, especially young children and youth. To ensure that more Alberta children can participate, Alberta's government established the Every Kid Can Play program, providing \$8 million in funding to make physical activity and recreation more accessible for Alberta youth.

The Every Kid Can Play program provided financial support to more than 8,500 children and youth to subsidize sport and recreation program registration costs, and support over 50 child and youth-focused community-level programs across Alberta. Every Kid Can Play builds on the success of the 2022 Return to Play program designed to encourage renewed participation in sport, physical activity and recreation following the COVID-19 pandemic. Alberta's government provided almost \$3.5 million to KidSport Alberta to subsidize registration costs for families facing financial barriers. More than \$3 million was provided to non-profit organizations with a provincial scope and close to \$1 million was provided to community-level non-profit organizations to increase affordability and access to sport, physical activity and recreation.

Outcome Two (From Forestry, Parks and Tourism):

Provide timely transparent decisions to support environmentally sustainable forestry, natural resource, and tourism economic opportunities consistent with government plans and policy.

Key Objectives

2.3 Through the development and implementation of the Tourism Strategy, support the growth of Alberta's tourism sector.

Visitor spending increased throughout the first three quarters of 2023 by 23 per cent over the previous year. International expenditures surpassed pre-pandemic levels, and domestic expenditures experienced 9 per cent year-over-year growth.

In February 2024, the ministry launched Higher Ground: A Tourism Sector Strategy, which targets to grow Alberta's visitor economy from \$10 billion annually in visitor expenditures to \$25 billion by 2035.

Travel Alberta received \$71.3 million in 2023-24 to achieve its expanded mandate. Travel Alberta helped drive the growth of the visitor economy by creating and promoting must-visit destinations throughout the province and expanding air access into the province. Travel Alberta promotes the province through:

- focused marketing to travellers that spend more and stay longer;
- increasing air service access for international visitors; and
- supporting new and enhanced visitor experiences and accommodations across the province.

Through Travel Alberta, more than \$10 million was invested to support the growth of the Air Access Expansion Strategy with objectives to recover the air routes lost during the pandemic and help increase air service access for international visitors via new routes into Alberta. In 2023-24, investment was directed into the international markets of France, Germany, Japan, and more, in addition to cross-border direct routes arriving from Texas, New York, California, Washington,

Georgia, and Minnesota. The return on investment for the new routes and increased frequencies was 10.6:1 of incremental tourism spend.

Travel Alberta produced Tourism Development Zone Discovery Reports for 10 zones across the province, detailing each zone's potential for future tourism development and investment. Over 1,400 stakeholders were engaged in the development of these reports.

Travel Alberta's Tourism Investment Program provided \$12.2 million in funding to support tourism operators. In 2023-24, the Program supported projects across more than 70 communities, of which more than 60 per cent of the projects were in smaller urban and rural areas of the province. The investment of \$7.1 million under the growth stream attracted \$63.3 million in private investment, returning an investment ratio of 1:8.9 (when weighted, the investment ratio is 1:3.1). The total impact of the tourism projects funded through the growth stream on Alberta's GDP was \$155 million, however when weighted to normalize variance due to large-scale projects, the GDP contribution was \$30 million.

Travel Alberta continued to support Indigenous tourism through the three-year grant agreement, signed in 2022-23, between Travel Alberta and Indigenous Tourism Alberta. \$1.2 million was invested in 2023-24 with First Nations, Metis, and Indigenous tourism operators for events and product development.

Performance Measure and Indicator Methodology

Performance Measure 1.a: Percentage of Albertans attending and participating in events and organized sport activities

	Prior Years' Results*			2023-24	2023-24
	2020-21	2021-22	2022-23*	Target**	Actual***
Adult Sport	Not available	25.5%	21.6%	25.0%	19.9%
Child Sport	Not available	49.2%	60.6%	53.0%	55.5%

* The 2022-23 online Survey of Albertans format changed significantly. Caution should be used when comparing the data to the 2021-22 results.

** The target for 2023-24 was set based on the results from 2021-22, as 2022-23 results were not yet available.

*** Due to multiple shifts in the survey language and survey methodology, including separating the 2023-24 Survey of Albertans on Sport, Physical Activity, and Recreation from the main Culture survey, caution should be used in comparing results between years. The 2023-24 targets were set based on one year of data from 2021-22, as that is all that was available at the time.

Description

This measure shows the percentage of Albertans (adults and children) who participated in organized sport activities in the past 12 months.

For the 2023-24 survey, organized sport activities were defined as physical activities that are governed by a set of rules, includes competitive elements that are tracked through scoring, time keeping, or judged results, and organized and scheduled as part of a league, club, or organization. The 2023-24 definition was clarified from the definition provided in the 2022-23 Survey of Albertans on Culture.

Results

Adult participation in organized sport activities in 2023-24 appears to have decreased by 1.7 per cent (totaling 19.9 per cent). When the margin of error is applied, adult participation in organized sport remained the same from 2022-23 but did not meet the target of 25.0 per cent. The three organized sport activities respondents reported spending the most time doing in 2023-24 were: hockey (21.3 per cent), basketball (18.8 per cent), and soccer (15.9 per cent).

While child participation in organized sport in 2023-24 decreased by 5.3 per cent (totaling 55.5 per cent), child participation still exceeded the target of 53.0 per cent. The three organized sport activities respondents reported their children spending the most time doing in 2023-24 were: soccer (30.9 per cent), basketball (23.3 per cent), and swimming (19.5 per cent).

Analysis

The definitions of organized sport activities and activity recreation activities (see additional performance metrics) were clarified from the 2022-23 definitions. Both definitions were provided on one screen at the beginning of the activity participation section of the survey, to allow respondents to determine where their activities best fit. Participation in organized sport and active

recreation activities was asked in one participation question for adults and children, where previously they were asked individually in separate organized sport and active recreation participation section in the survey. The clarification of definition of what activities constitute an organized sport activity and what constitutes an active recreation activity may have contributed to the change in results.

Methodology

1,549 random online surveys were conducted by an external vendor between March 20 to April 2, 2024. Respondents were randomly recruited using probability sampling. Statistics Canada estimates were used to generate a demographically representative sample. Quotas for age, gender and region were used.

The margin of error for a sample of n=1,549 is ± 2.49 percentage points, 19 times out of 20. Weighting factors (range of 0.6 to 1.7) were applied to the data to adjust any imbalances from soft quota targets for age, gender, and region. Results are weighted to align with Census Profile, 2021 Census of Population.

Performance Indicator 2.b Expenditures generated from the Tourism Sector (\$ Billions)

Prior Years' Results*					2023 Target	2023 Actual
	2019	2020	2021	2022		
Tourism Generated Expenditures (\$ Billions)	9.6	NA	6.3*	10.7*	10.1**	NA

Source: Statistics Canada's National Travel Survey and Visitor Travel Survey via Travel Alberta. Actuals have been restated to match Statistics Canada updates.

*Data was derived using methodologies that differ from the 2019 Visitor Travel Survey methodology. Use caution when comparing the data.

** Targets are based on internal economic impact modeling completed by Travel Alberta. Projected revenue is evaluated on a variety of factors.

Description

This performance indicator measures expenditures generated from tourism activities in Alberta, which help sustain economic activities and provide a measure to assess the growth of the tourism sector.

The National Travel Survey estimates visitor spending for residents living in Alberta and for residents living in each province. The Visitor Travel Survey estimates visitor spending for residents living in the United States of America and other international countries.

Results

2023 results not yet available from Statistics Canada.

Analysis

2022 results have recovered from COVID-19 and surpassed 2019 results.

Methodology

Tourism expenditure data is derived from two Statistics Canada surveys - the National Travel Survey and the Visitor Travel Survey. Travel Alberta uses data from the National Travel Survey and

Visitor Travel Survey as well as internal economic impact modeling to set the tourism expenditure targets. Projected revenue is evaluated on a variety of factors.

National Travel Survey

The National Travel Survey measures the domestic and international tourism demand by Canadian residents. The National Travel Survey aims to measure the characteristics and the economic impact of the tourism activities of Canadian residents. Statistics Canada sends selected households (household selection is determined by several factors) an invitation letter in the mail, along with an access code, to fill out an e-questionnaire on all the households' trips for the previous month. Only household residents over the age of 18 years can respond to the survey.

National Travel Survey estimates are produced using survey data to which weights are applied, so that this data can be inflated to the non-institutionalized Canadian population 18 years and older. The weights calculated to produce these estimates are household weights, person weights, trip weights and person-trip weights. There are no data revisions or seasonal adjustments for this data.

Visitor Travel Survey

The Visitor Travel Survey provides statistics on American and overseas visitors to Canada, their characteristics of travel and spending levels.

Typically, data for the Visitor Travel Survey is collated by Statistics Canada and is compiled from three sources – the Air Exit Survey to capture commercial air information, electronic questionnaires (e-questionnaires), and data from Frontier Counts.

For the Air Exit Survey, Statistics Canada interviewers use tablets to conduct personal interviews with American and overseas travellers while they await their return flights in selected Canadian airports for the survey. In April 2023, Statistics Canada resumed partial survey data collection at five major Canadian airports (Halifax, Montreal, Toronto Pearson, Calgary, and Vancouver) for the air commercial component of the survey. For the non-air commercial portion of the survey, estimates were calculated using a combination of Air Exit Survey data collected and historical non-air commercial data, as well as Frontier Counts data. Frontier Counts data is composed of counts of entries into Canada by international travellers at Canadian ports of entry by selected categories, as well as the number of automobiles, trucks and other land vehicles entering Canada and is digitally collected by the Canada Border Services Agency. The data is then accessed by Statistics Canada.

Data collection for the Visitor Travel Survey was suspended from the second quarter of 2020 to the first quarter of 2023. As a result, tourism expenditure estimates were derived using a combination of survey estimates from the same quarter of 2019 and growth trends from available and relevant administrative data by Statistics Canada. For the non-air commercial portion (land, water, private air), estimates were derived using a combination of collected Air Exit Survey data and historical non-air commercial information as well as the Frontier Counts.

Comparisons of the historical Visitor Travel Survey results with current Visitor Travel Survey results should be made with caution, due to the use of different methods to produce estimates for United States and overseas residents visiting Canada. Annual Visitor Travel Survey estimates maybe revised or restated.

Additional Performance Metrics

Performance Indicator: Percentage of Albertans participating in active recreation activities

	Prior Years' Results*			2023-24 Actual**
	2020-21	2021-22*	2022-23*	
Adult Active Recreation	Not available	55.1%	81.9%	55.7%
Child Active Recreation	Not available	34.8%	80.4%	64.6%

* The 2022-23 online Survey of Albertans format changed significantly. Caution should be used when comparing the data to the 2021-22 results.

** The 2023-24 Survey of Albertans on Sport and Recreation was run separately from the 2023-24 Survey of Albertans on Arts, Culture and Status of Women due to the Sport, Physical Activity, and Recreation area being moved to the new Tourism and Sport ministry. Caution should be used when comparing the 2023-24 results to previous results.

Description

This indicator shows the percentage of Albertans (adults and children) who participated in active recreation activities in the past 12 months.

For the 2023-24 survey, active recreation activities were defined as physical activities that are done for the purpose of wellbeing or enjoyment and activities can be done at home, or outside of the home. This definition was clarified from the definition provided in the 2022-23 Survey of Albertans on Culture.

Results

Adult participation in active recreation activities in 2023-24 decreased by 26.2 per cent per cent (totaling 55.7 per cent) from 2022-23. The three active recreation activities respondents reported spending the most time doing in 2023-24 were: walking (45.5 per cent), weightlifting (17.3 per cent), hiking (15.5 per cent).

In 2023-24, child participation in active recreation activities decreased by 16.0 per cent (totaling 64.4 per cent). The three active recreation activities respondents reported their children spending the most time doing in 2023-24 were: swimming (29.2 per cent), playing at a park (17.8 per cent), biking (15.6 per cent).

Analysis

Due to multiple shifts in the survey language and survey methodology, including splitting the 2023-24 Survey of Albertans on Sport and Recreation from the main Culture survey, caution should be used in comparing results between years.

When comparing the three years of data, adult participation in active recreation activities for 2023-24 was similar to the participation rate in 2021-22. The child participation in active recreation activities for 2023-24 was approximately 1.85 times more than in 2021-22. Further trendline data is needed, but the 2022-23 results appear to be outliers for this indicator.

The definitions of organized sport activities and activity recreation activities (see additional performance metrics) were clarified from the 2022-23 definitions. Both definitions were provided on one screen at the beginning of the activity participation section of the survey, to allow respondents to determine where their activities best fit. Participation in organized sport and active recreation activities was asked in one participation question for adults and children, where previously they were asked individually in separate organized sport and active recreation participation section in the survey. The clarification of definition of what activities constitute an organized sport activity as opposed to what constitute an active recreation activity may have contributed to the results.

Methodology

1,549 random online surveys for the 2023-24 Survey of Albertans on Sport and Recreation were conducted by an external vendor between March 20 to April 2, 2024. Respondents were randomly recruited using probability sampling. Statistics Canada estimates were used to generate a demographically representative sample. Quotas for age, gender and region were used.

The margin of error for a sample of n=1,549 is ± 2.49 percentage points, 19 times out of 20. Weighting factors (range of 0.6 to 1.7) were applied to the data to adjust any imbalances from soft quota targets for age, gender, and region. Results are weighted to align with Census Profile, 2021 Census of Population.

Performance Indicator: Tourism sector employment

	Prior Years' Results				2023
	2019	2020	2021	2022	
Annual Average Employment Number (#)	240,900	187,500	190,400	218,600	238,500

Source: Statistics Canada Labour Force Survey via Tourism HR Canada.

Description

This indicator tracks average annual employment (full-time and part-time) within Alberta’s tourism industries.

Results

The annual average employment number in Alberta’s tourism sector was approximately 238,500 people in 2023, an increase of 9 per cent from 2022 (218,600).

Analysis

2023 employment numbers returned to the pre-pandemic employment numbers of 2019.

The tourism sector is comprised of five industries: accommodation, food & beverage services, recreation & entertainment, transportation, travel services.

The proportion of employment in tourism industries in 2023 remained close to the same as previous years, with employment in food & beverage services (46 per cent) and recreation & entertainment (25 per cent), and transportation (21 per cent). These three industries accounted for

over 92 per cent of employment in tourism industries in 2023. The remaining industries were accommodation (7 per cent) and travel services (1 per cent).

Potential Factors Impacting Tourism Employment

- Weather conditions (e.g., forest fires, weather temperature)
- Economic (e.g., cost of living, cost of travel)
- Consumer demand within tourism industries

Methodology

The target population is the non-institutionalised population 15 years of age and over. The survey is conducted nationwide, in both the provinces and the territories. Excluded from the survey's coverage are: persons living on reserves and other Aboriginal settlements in the provinces; full-time members of the Canadian Armed Forces, the institutionalized population, and households in extremely remote areas with very low population density. These groups together represent an exclusion of less than 2 per cent of the Canadian population aged 15 and over.

National Labour Force Survey estimates are derived using the results of the Labour Force Survey in the provinces.

Estimates are rounded to the nearest hundred and a series of suppression rules are used so that any estimate below 1,500 people in Alberta is not released.

Revisions and Seasonal Adjustment

Most estimates associated with the labour market are subject to seasonal variation; that is, annually recurring fluctuations attributable to climate and regular institutional events such as vacations and holiday seasons. Seasonal adjustment is used to remove seasonal variations. At the start of each year, the Labour Force Survey revises its estimates for the previous three years, using the latest seasonal factors.

Adjustments are also made to Labour Force Survey data every five years after new population estimates become available following the most recent census. At that time, all Labour Force Survey data back to the previous census is re-weighted using the new population estimates, and all corresponding historical Labour Force Survey estimates are revised. Generally, the introduction of the latest classification systems for industry, occupation and geography, along with other changes, occur at this time. Since the Labour Force Survey is a sample survey, all estimates are subject to both sampling and non-sampling errors. The sample data are weighted to enable tabulations of estimates at national, provincial, and sub-provincial levels of aggregation.

Financial Information

Table of Contents

- Reporting Entity and Method Consolidation..... 23
- Ministry Financial Highlights..... 24
 - Statement of Revenues and Expenses (unaudited) 24
 - Revenue and Expense Highlights 25
 - Breakdown of Revenues (unaudited) 26
 - Breakdown of Revenues (unaudited) 27
 - Expenses – Directly Incurred Detailed by Object (unaudited) 28
 - Expenses – Directly Incurred Detailed by Object (unaudited) 29
- Supplemental Financial Information..... 30
 - Tangible Capital Assets (unaudited)..... 30
 - Tangible Capital Assets (unaudited)..... 31
- Financial Statements of Other Reporting Entities..... 32
- Other Financial Information 59

Reporting Entity and Method Consolidation

The financial information is prepared in accordance with government's stated accounting policies, which are based on Canadian public sector accounting standards.

The reporting entity is the ministry for which the Minister is accountable. The accounts of the ministry, which include the department and the entities making up the ministry, are consolidated using the line-by-line method.

Under this method accounting policies of the consolidated entities are adjusted to conform to those of the government and the results of each line item in their financial statements (revenue, expense, assets and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

A list of the individual entities making up the ministry are shown in the "Management's Responsibility for Reporting" statement included in this annual report.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

Year Ended March 31, 2024

	2024		2023	Change From	
	Budget (Restated)	Actual	Actual (Restated)	Budget	2023 Actual
Revenues	<i>(in thousands)</i>				
Government transfers					
Federal government grants	\$ 640	\$ 1,544	\$ 2,988	\$ 904	\$ (1,444)
Investment income	150	768	578	618	190
Premiums, fees and licenses	300	503	217	203	286
Other revenue	2,185	3,798	3,232	1,613	566
Ministry total	\$ 3,275	\$ 6,613	\$ 7,015	\$ 3,338	\$ (402)
Inter-ministry consolidated adjustments	-	(40)	(38)	(40)	(2)
Adjusted ministry total	\$ 3,275	\$ 6,573	\$ 6,977	\$ 3,298	\$ (404)
Expenses - directly incurred					
Ministry Support Services	\$ 500	\$ 1,685	\$ -	\$ 1,185	\$ 1,685
Tourism	73,970	75,693	69,324	1,723	6,369
Sport, Physical Activity and Recreation	30,430	35,160	22,685	4,730	12,475
Ministry total	\$ 104,900	\$ 112,538	\$ 92,009	\$ 7,638	\$ 20,529
Inter-ministry consolidated adjustments	(1,500)	(513)	-	987	(513)
Adjusted ministry total	\$ 103,400	\$ 112,025	\$ 92,009	\$ 8,625	\$ 20,016
Annual deficit	\$ (100,125)	\$ (105,452)	\$ (85,032)	\$ (5,327)	\$ (20,420)

Revenue and Expense Highlights

Revenues

Ministry revenues totaled \$6.6 million in 2023-24, \$3.3 million higher than Budget 2023 and \$0.4 million lower than 2022-23 Actual.

Change from Budget 2023

Revenue from Government of Canada was \$0.9 million higher than budgeted mostly due to the continuation of federal funding for destination management plans development in emerging and rural destinations across Alberta.

Other revenues were higher than budgeted primarily due to revenue from marketing partners (approx. \$1.4 million) and higher than anticipated interest and donations.

Change from 2022-23 Actual

The change can be attributed mainly to decreases in federal grant funding of \$1.4 million for Tourism and a decrease in Sport, Physical Activity and Recreation's donations of \$0.3 million, offset by increases in other revenue from marketing partners, interest income and premium, fees and licenses.

Expenses

Ministry expenditures were \$112.5 million in 2023-24, \$7.6 million higher than Budget 2023 and \$20.5 million higher than 2022-23 Actuals.

Change from Budget 2023

The increase from budget is mainly attributable to higher spending (\$5.5 million) in Support for Sport, Physical Activity and Recreation as additional funding was approved for Alberta to host major international sporting events, including the 2027 World Junior Hockey Championships, other world class hockey events and the Canadian Finals Rodeo. This is supplemented by increases in Tourism for destination promotion expenses.

Change from 2022-23 Actual

The increase can be mainly attributed to increases in Support for Sport, Physical Activity and Recreation funding (\$14.4 million), including the Every Kid Can Play grant program (\$8 million), funding for the 2027 World Junior Hockey Championships and other world class hockey events (\$2.4 million) and the Canadian Finals Rodeo (\$1.5 million). Destination development expenses increased by \$3.9 million in Tourism to enhance targeted Rural Tourism initiatives, with significantly increased investments towards development of tourism products and programs. Additionally, there was an increase of \$2.8 million for destination promotion for investment in the US and international markets to engage the high-value visitor and increase consideration of Alberta as a travel destination.

Breakdown of Revenues (unaudited)

	2024		2023
	Budget (Restated)	Actual (in thousands)	Actual (Restated)
Government transfers			
Federal government grants	\$ 640	\$ 1,544	\$ 2,988
Investment income	150	768	578
Premiums, fees and licenses	300	503	217
Other revenue	2,185	3,798	3,232
Total ministry revenues	\$ 3,275	\$ 6,613	\$ 7,015

Federal government grants: Grants from the federal government included funding to Sport, Physical Activity and Recreation for the Sport Bilateral agreement (\$0.64 million) and a residual payment to Travel Alberta from Prairies Economic Development Canada (\$0.9 million).

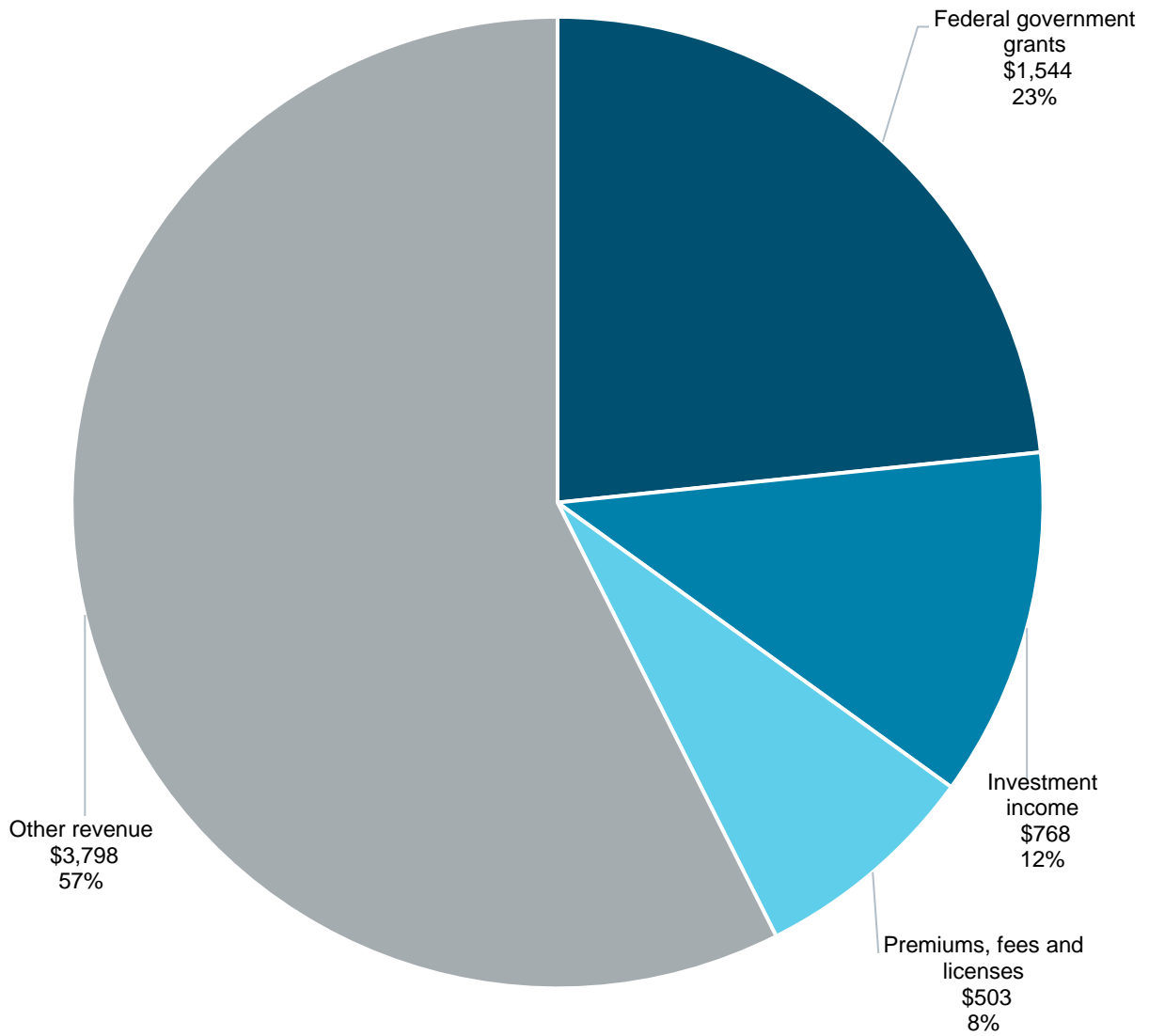
Investment income: Interest income earned on cash bank balances.

Premiums, fees and licenses: Registration fees incurred by Sport, Physical Activity and Recreation for participation in either the National Certified Coaching Program or the Alberta Games.

Other revenue: Included donations, sales, refunds of expenditures and other miscellaneous revenues.

Breakdown of Revenues (unaudited)

2024 Actuals
(in thousands)



Expenses – Directly Incurred Detailed by Object (unaudited)

	2024		2023
	Budget (Restated)	Actual	Actual (Restated)
	<i>(in thousands)</i>		
Salaries, Wages & Employee Benefits	\$ 15,413	\$ 14,804	\$ 13,251
Grants	55,880	58,947	44,198
Supplies and Services	33,529	38,600	34,474
Amortization of Tangible Capital Assets	78	106	75
Other	-	81	11
Total expenses	\$ 104,900	\$ 112,538	\$ 92,009

Salaries, Wage and Employee Benefits: The 2024 expenditures of \$14.8 million, 13 per cent of the total operating expense, was used to provide front line delivery of ministry programs.

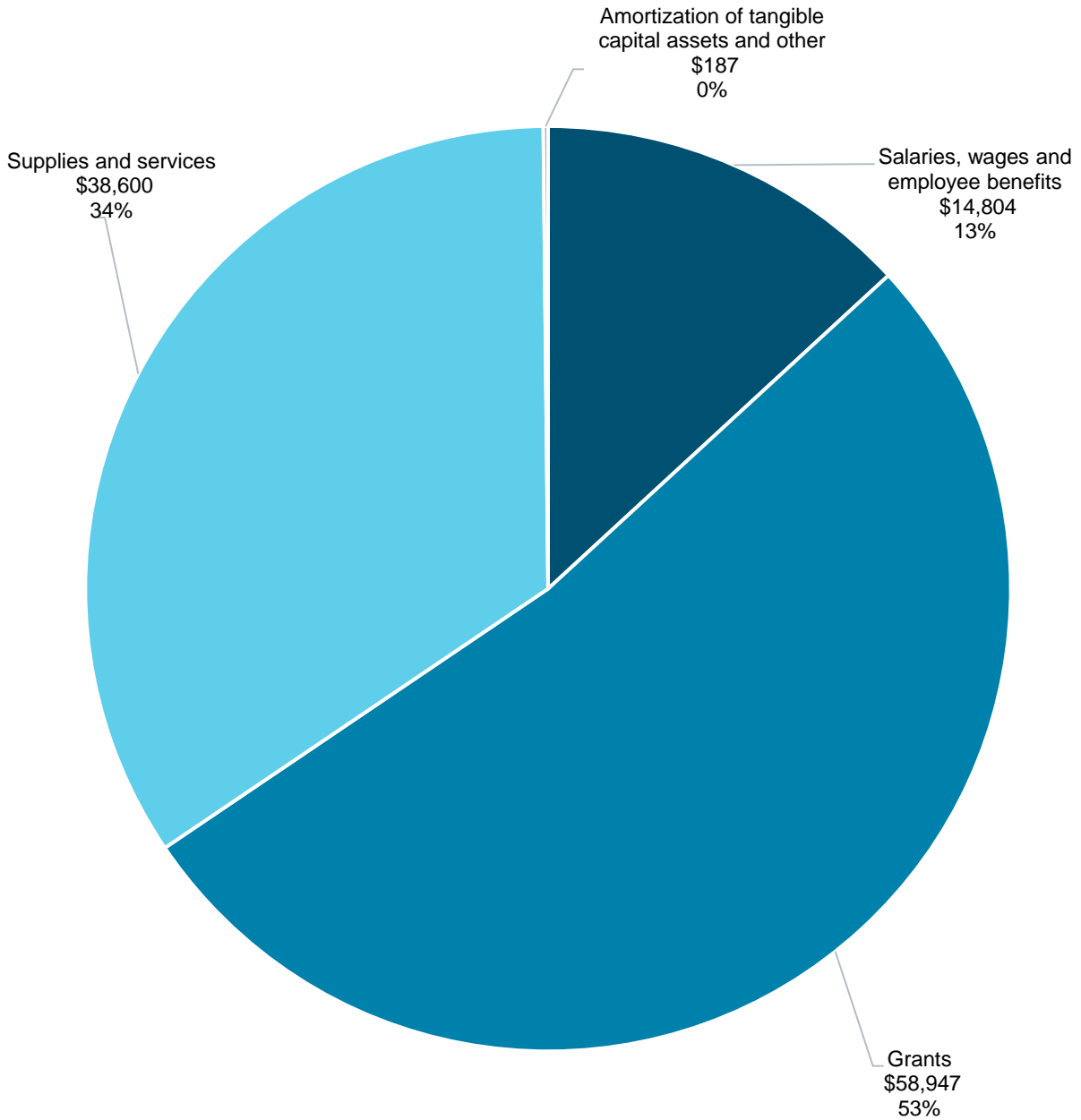
Grants: Represented the ministry’s largest expenditure category for a total of \$58.9 million, 53 per cent of the total operating expense.

Supplies and Services: The 2024 expenditures totaling \$38.6 million, 34 per cent of the total operating expenses, included contracted services, advertising, travel and other materials and supplies.

Amortization and other: The remainder of the expenditures occurred under amortization of tangible capital assets and other expenses, which include MLA expenses, interest expense and write-downs.

Expenses – Directly Incurred Detailed by Object (unaudited)

2024 Actuals
(in thousands)



Supplemental Financial Information

Tangible Capital Assets (unaudited)

	<u>Equipment ⁽¹⁾</u>	<u>Computer Hardware and Software</u> <i>(in thousands)</i>	<u>Other ⁽²⁾</u>	<u>2024 Total</u>	<u>2023 Total (Restated)</u>
Estimated useful life	3-25 years	3-10 years	40 years		
Historical Cost ⁽³⁾					
Beginning of year ⁽⁴⁾	\$ 279	\$ 942	\$ 433	\$ 1,654	\$ 1,645
Additions	50	53	-	103	9
Disposals, including write-downs	-	(540)	-	(540)	-
	<u>\$ 329</u>	<u>\$ 455</u>	<u>\$ 433</u>	<u>\$ 1,217</u>	<u>\$ 1,654</u>
Accumulated Amortization					
Beginning of Year ⁽⁴⁾	\$ 164	\$ 803	\$ 433	\$ 1,400	\$ 1,326
Amortization Expense	34	72	-	106	74
Effect of disposals, including write-downs	-	(540)	-	(540)	-
	<u>\$ 198</u>	<u>\$ 335</u>	<u>\$ 433</u>	<u>\$ 966</u>	<u>\$ 1,400</u>
Net Book Value at March 31, 2024	<u><u>\$ 131</u></u>	<u><u>\$ 120</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 251</u></u>	
Net Book Value at March 31, 2023 (Restated)	<u><u>\$ 115</u></u>	<u><u>\$ 139</u></u>	<u><u>\$ -</u></u>		<u><u>\$ 254</u></u>

(1) Equipment includes vehicles, heavy equipment, office equipment and furniture, and other equipment.

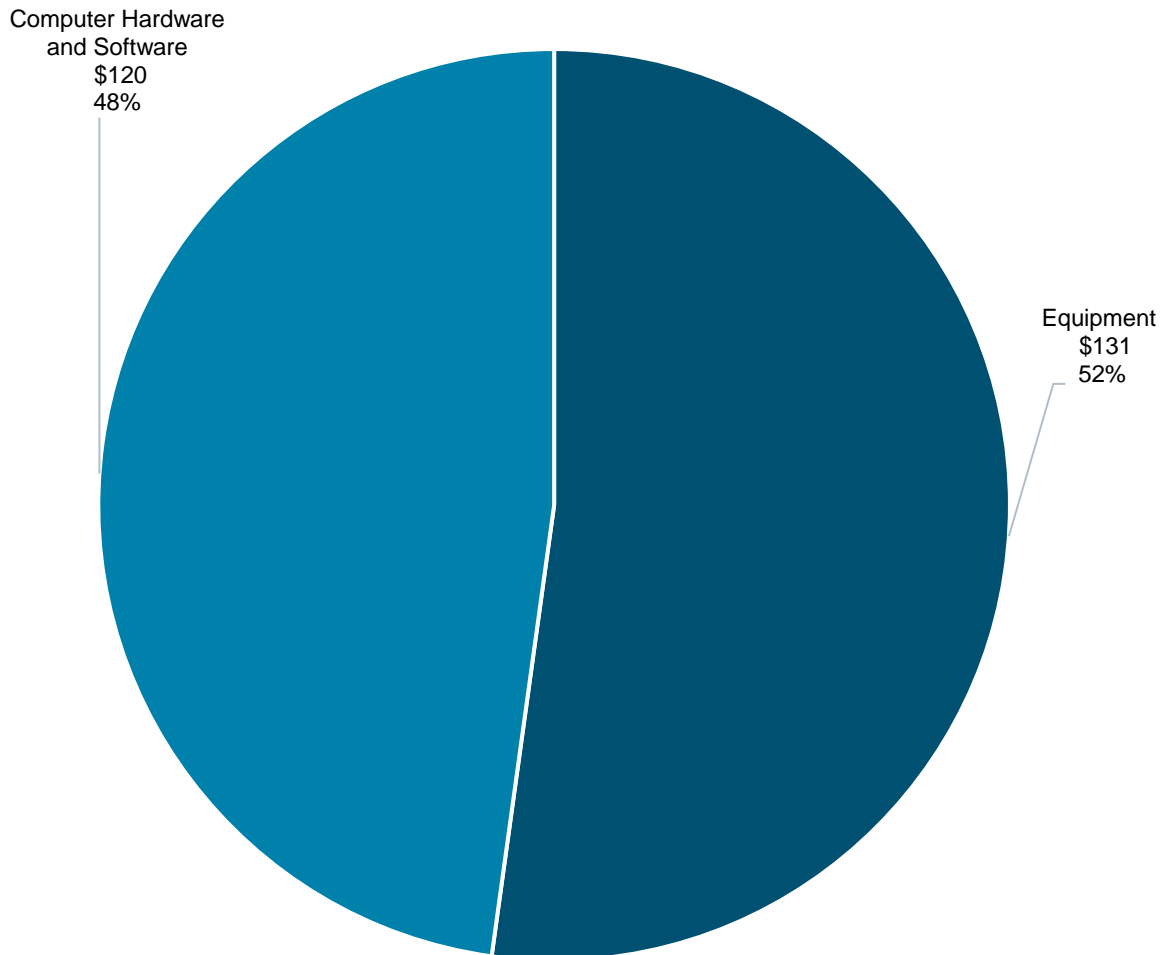
(2) Other tangible capital assets include leasehold improvements.

(3) Historical cost includes work-in-progress for tangible capital assets still in productive use.

(4) Figures have been restated due to capital assets transferred to the Ministry of Tourism and Sport due to the June 2023 Government Reorganization.

Tangible Capital Assets (unaudited)

Net Book Value as at March 31, 2024
(in thousands)



Financial Statements of Other Reporting Entities

Table of Contents

Index of Audited Financial Statements

Travel Alberta 33

Travel Alberta

Financial Statements
Year Ended March 31, 2024

**TRAVEL ALBERTA
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024**

Table of Contents

Statement of Management Responsibility

Statement of Operations

Statement of Financial Position

Statement of Change in (Net Debt) Net Financial Assets

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

Management's Responsibility for Financial Reporting

The management of the Travel Alberta is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements.

Management is responsible for preparation of these financial statements in accordance with Canadian public sector accounting standards and for the integrity and fair presentation of the information. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management is responsible for maintaining effective internal accounting control systems designed to provide reasonable assurance that financial information is reliable and relevant.

Management is also responsible for maintaining financial and management control systems and practices designed to ensure transactions are properly authorized, assets are safeguarded and controlled, liabilities are recognized and that the operations of the Travel Alberta are carried out effectively.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Directors exercises this responsibility through the Audit, Finance and Risk Committee, composed of Directors who are not employees of the Corporation. The Audit, Finance and Risk Committee meets with the external auditors, both in the presence and in the absence of management, to discuss their audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the Audit, Finance and Risk Committee.

The Auditor General of Alberta, Travel Alberta's external auditor appointed under the Auditor General Act, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards, and has expressed an opinion in the accompanying Independent Auditor's Report.

[Original signed]

David F. Goldstein
Chief Executive Officer

[Original signed]

Kara Claypool
Senior Vice President, Chief Financial & Operations Officer

Independent Auditor's Report

To the Board of Directors of Travel Alberta

Report on the Financial Statements

Opinion

I have audited the financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2024, and the statements of operations, change in (net debt) net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2024, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Travel Alberta in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

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

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

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

Those charged with governance are responsible for overseeing Travel Alberta's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

May 9, 2024
Edmonton, Alberta

Statement of Operations

**TRAVEL ALBERTA
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024**

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
	<i>(Note 5)</i>		
Revenues (Notes 2(b) and 6)			
Government transfers			
Government of Alberta grants	\$ 71,940	\$ 71,260	\$ 62,848
Federal and other government grants	-	903	2,347
Investment income	150	767	550
Premiums, fees and licences		-	24
Revenue from partners		1,395	519
	<u>72,090</u>	<u>74,325</u>	<u>66,288</u>
 Expenses - (Note 2(b) and Schedule 1)			
 Programs			
Destination Promotion	27,243	29,009	26,213
Destination Development	35,899	36,536	32,605
Strategy and Research	3,216	2,631	2,965
Corporate Services	5,798	6,172	6,202
	<u>72,156</u>	<u>74,348</u>	<u>67,985</u>
 Annual operating deficit	<u>(66)</u>	<u>(23)</u>	<u>(1,697)</u>
 Accumulated surplus at beginning of year	<u>141</u>	<u>141</u>	<u>1,838</u>
 Accumulated surplus at end of year	<u>\$ 75</u>	<u>\$ 118</u>	<u>\$ 141</u>

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

Statement of Financial Position

**TRAVEL ALBERTA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024**

	2024	2023
	<i>(in thousands)</i>	
Financial Assets		
Cash and cash equivalents (Note 7)	\$ 7,750	\$ 9,724
Accounts receivable (Note 8)	159	506
	<u>7,909</u>	<u>10,230</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 9)	7,741	9,918
Debt (Note 10)	130	109
Unspent deferred contributions (Note 11)	180	332
	<u>8,051</u>	<u>10,359</u>
Net debt	<u>(142)</u>	<u>(129)</u>
Non-financial assets		
Tangible capital assets (Note 12)	248	250
Prepaid expenses	12	20
	<u>260</u>	<u>270</u>
Net assets	<u>\$ 118</u>	<u>\$ 141</u>
Net assets		
Accumulated surplus (Note 13)	<u>\$ 118</u>	<u>\$ 141</u>
Contractual obligations (Note 14)		

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

TRAVEL ALBERTA
STATEMENT OF CHANGE IN (NET DEBT) NET FINANCIAL ASSETS
YEAR ENDED MARCH 31, 2024

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual Deficit	\$ (66)	\$ (23)	\$ (1,697)
Acquisition of tangible capital assets (Note 12)		(103)	(118)
Amortization of tangible capital assets (Note 12)	66	105	73
Decrease in prepaid expenses		8	78
Decrease in net financial assets	-	(13)	(1,664)
(Net debt) Net financial assets at beginning of year	(129)	(129)	1,535
Net debt at end of year	\$ (129)	\$ (142)	\$ (129)

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

Statement of Cash Flows

**TRAVEL ALBERTA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024**

	2024	2023
	<i>(in thousands)</i>	
Operating transactions		
Annual deficit	\$ (23)	\$ (1,697)
Non-cash items included in annual deficit		
Amortization of tangible capital assets (Note 12)	105	73
	82	(1,624)
Contributions restricted for operating (Note 11)	(152)	332
Decrease/(Increase) in accounts receivable	347	(316)
Decrease in prepaid expenses	8	78
Decrease in accounts payable and other accrued liabilities	(2,177)	(391)
Cash applied to operating transactions	(1,892)	(1,921)
Capital transactions		
Acquisition of tangible capital assets (Note 12)	(82)	(9)
Cash applied to capital transactions	(82)	(9)
Decrease in cash and cash equivalents	(1,974)	(1,930)
Cash and cash equivalents at beginning of year	9,724	11,654
Cash and cash equivalents at end of year	\$ 7,750	\$ 9,724

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

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2024**

Note 1 AUTHORITY AND PURPOSE

Travel Alberta (the "Corporation") is an agent of the Crown in right of Alberta and operates under the authority of the *Travel Alberta Act*, Chapter T-6.5, Statutes of Alberta 2008.

The mandate of the Corporation is to:

- market tourism assets, attractions and opportunities present in Alberta, in domestic, national and international markets;
- promote and support the development and growth of the tourism industry in Alberta to increase revenue and employment in, and the economic benefits generated by, the industry;
- promote Alberta as a destination for tourists and other visitors;
- assist Alberta communities and tourism industry operators to develop and market their products;
- provide visitor services, 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 exempt from income taxes under the *Income Tax Act*.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

(a) Reporting Entity

The reporting entity is Travel Alberta, which is part of the Ministry of Tourism and Sport (Ministry) and for which the Minister of Tourism and Sport (Minister) 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

Revenues

All revenues are reported on the accrual basis of accounting.

Revenues from transactions with performance obligations are recognized when the Corporation provides the promised goods and/or services to a payor. Revenue from partners is received or receivable for the delivery of specific destination promotion and marketing projects. The revenue is recognized as the projects take place.

Cash received for goods and/or services not yet provided by year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Revenues from transactions with no performance obligations are recognized at their realizable value when the Corporation has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset.

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024**

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Revenues (Cont'd)

Government transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together 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 stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

Investment income

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

Expenses

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

Grant expense

Grants are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient and when a reasonable estimate of the amounts can be made.

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	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Cost
Debt	Amortized cost

The carrying value of these financial assets and liabilities approximates their fair value.

TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities (Cont'd)

The Corporation does not have any transactions involving financial instruments that are classified in the fair value category, has not engaged in any significant foreign currency transactions, and has no remeasurement gains and losses; therefore, a Statement of Remeasurement Gains and Losses has not been presented.

Financial 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 are the Corporation's financial claims on external organizations and individuals, as well as cash at year end.

Cash and cash equivalents

Cash comprises of cash on hand. 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.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issuance costs.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at transaction dates. Carrying values of monetary assets and liabilities and non-monetary items denominated in foreign currencies included in the fair value category reflect the exchange rates at the Statement of Financial Position date.

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024**

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the minimum lease payments excluding executory costs (e.g., insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Corporation's rate for incremental borrowing or the interest rate implicit in the lease. Note 10 provides a schedule of repayments and amount of interest on the leases.

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

Furniture and equipment	5 Years
Computer hardware and software	3 Years
Leasehold improvements	Term of Lease
Leased vehicles	Term of Lease

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 existing tangible capital assets is \$5,000.

Prepaid expenses

Prepaid expenses is recognized at cost and amortized based on the terms of the agreement.

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024**

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount, whenever estimates are used. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization of tangible capital assets is based on the estimated useful lives of tangible capital assets. Other accrued liabilities are based on management estimates of expenses incurred but not invoiced to the Corporation at March 31, 2024.

TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024

Note 3 CHANGE IN ACCOUNTING POLICY

Effective April 1, 2023, the Corporation adopted the PS 3400 Revenue standard. Changes made to the financial statements include new revenue Note 6.

There were no changes to the measurement of revenues on adoption of the new standard.

At the beginning of the same fiscal reporting period, the Corporation also adopted the PSG-8 Purchased Intangibles Guideline. There were no changes to the financial statements on adoption of the new guideline.

The Corporation used prospective application to adopt both the new standard and guideline. As a result, 2023 comparatives are not restated.

Note 4 FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2026, the Corporation will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector**

The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

- **PS 1202 Financial Statement Presentation**

Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the standard on the financial statements.

Note 5 BUDGET

(in thousands)

A preliminary business plan with a budgeted deficit of \$66 was approved by the Board of Directors on February 13, 2023, and the full financial plan was submitted to the Minister of Tourism and Sport. The budget reported in the Statement of Operations reflects the original \$66 operating deficit.

Note 6 REVENUES

(in thousands)

The Corporation provides destination promotion and marketing services to tourism industry partners. Revenue from partners of \$1,395 is considered non-recurring.

TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024

Note 7 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and cash equivalents consist of:

	<u>2024</u>	<u>2023</u>
Cash ⁽¹⁾	\$ 7,695	\$ 9,610
Cash equivalents	55	114
	<u>\$ 7,750</u>	<u>\$ 9,724</u>

Cash and cash equivalents consist of cash funds held in operating bank accounts and demand deposits in the Consolidated Liquidity Solution (CLS). A CLS participant is paid interest on monthly basis on their cash balance at an interest rate based on 12 week rolling average of the Province's 3 month cost of borrowing.

⁽¹⁾ The Cash of \$7,750 includes an amount of \$180 (2023: \$332) that is Unspent deferred contributions (Note 11).

Note 8 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 138	\$ 70
Other receivable ⁽¹⁾	21	436
	<u>\$ 159</u>	<u>\$ 506</u>

⁽¹⁾ In 2023 the Other receivable \$436 (2024: \$21) included an amount of \$434 Federal grants that were earned but not received by the Corporation at March 31, 2023. This Federal Grant was subsequently received in 2024.

As of March 31, 2024, there is no provision for doubtful accounts.

Note 9 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

(in thousands)

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 2,335	\$ 3,344
Other liabilities	207	174
Other accrued liabilities	5,199	6,400
	<u>\$ 7,741</u>	<u>\$ 9,918</u>

TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024

Note 10 DEBT
(in thousands)

	2024		2023	
	Maturity	Interest Rate	Book Value	Book Value
Debentures ⁽¹⁾				
	2027	5.93%	\$ 83	\$ 109
	2028	5.75%	47	-
			<u>\$ 130</u>	<u>\$ 109</u>

⁽¹⁾ The Debentures of \$130 are payable to ARI Financial Services Inc.

Interest expense on Debt is \$6.00 (2023: \$1.00) and is included on the Statement of Operations.

Principal repayments in each of the next five years and thereafter are as follows:

2024-25	\$ 38
2025-26	41
2026-27	41
2027-28	10
Thereafter	-
	<u>\$ 130</u>

Note 11 DEFERRED CONTRIBUTIONS
(in thousands)

	2024	2023
Unspent deferred contributions		
Deferred operating contributions (i)	\$ 180	\$ 332
	<u>\$ 180</u>	<u>\$ 332</u>

(i) Deferred operating contributions

	2024			2023
	Government of Alberta	Other	Total	Total
Balance at beginning of year	\$ 332	\$ -	\$ 332	\$ -
Cash contributions received during year	71,108	-	71,108	63,180
Less: amounts recognized as revenue	(71,260)	-	(71,260)	(62,848)
Balance at end of year	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 180</u>	<u>\$ 332</u>

TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024

Note 12 TANGIBLE CAPITAL ASSETS
(in thousands)

	Computer Hardware and Software	Leasehold Improvements	Furniture and Equipment	Leased Vehicles	2024 Total	2023 Total
Estimated Useful Life	3 years	Term of lease	5 years	Term of lease		
Historical Cost						
Beginning of year	\$ 402	\$ 433	\$ 92	\$ 111	\$ 1,038	\$ 920
Additions ⁽¹⁾	53	-	-	50	103	118
	<u>455</u>	<u>433</u>	<u>92</u>	<u>161</u>	<u>1,141</u>	<u>1,038</u>
Accumulated Amortization						
Beginning of year	263	433	90	2	788	715
Amortization expense	72	-	2	31	105	73
	<u>335</u>	<u>433</u>	<u>92</u>	<u>33</u>	<u>893</u>	<u>788</u>
Net Book Value at March 31, 2024	<u>\$ 120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128</u>	<u>\$ 248</u>	
Net Book Value at March 31, 2023	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 109</u>		<u>\$ 250</u>

⁽¹⁾ \$50 of the tangible capital assets additions was financed through a capital lease. The amount paid for leases during the year ended March 31, 2024 is \$29 (2023: \$2).

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024**

Note 13 ACCUMULATED SURPLUS
(in thousands)

Accumulated surplus is comprised of the following:

	Investment in Tangible Capital Assets	Restricted Accumulated Surplus ⁽¹⁾	Unrestric- ted Surplus	2024 Total	2023 Total
Balance at beginning of year	\$ 141	\$ -	\$ -	\$ 141	\$ 1,838
Annual deficit	-	-	(23)	(23)	(1,697)
Net investment in capital assets	(23)	-	23	-	-
Balance at the end of year	<u>\$ 118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118</u>	<u>\$ 141</u>

⁽¹⁾ As of March 31, 2023 the Corporation's Board of Directors discontinued the usage of the Restricted Accumulated Surplus.

Note 14 CONTRACTUAL OBLIGATIONS
(in thousands)

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

	2024	2023
Operating leases	\$ 3,348	\$ 4,396
Capital leases	147	125
Service contracts	89,039	95,030
	<u>\$ 92,534</u>	<u>\$ 99,551</u>

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

	Operating leases	Capital leases	Service contracts	Total
2024-25	\$ 948	\$ 46	\$ 45,065	\$ 46,059
2025-26	828	46	38,001	38,875
2026-27	788	44	5,681	6,513
2027-28	784	11	245	1,040
2028-29	-	-	45	45
Thereafter	-	-	2	2
	<u>\$ 3,348</u>	<u>\$ 147</u>	<u>\$ 89,039</u>	<u>\$ 92,534</u>

TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024

Note 15 **BENEFIT PLANS**
(in thousands)

The Corporation participates in the following multi-employer pension plans: the Management Employees Pension Plan (MEPP), Public Sector Pension Plan (PSPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contributions of \$823 for the year ended March 31, 2024 (2023: \$848). The Corporation accounts for their multi-employer pension plans on a defined contribution basis. The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2023, the Management Employees Pension Plan reported a surplus of \$1,316,313 (2022: surplus of \$924,735), the Public Service Pension Plan reported a surplus of \$4,542,000 (2022: surplus of \$4,258,721) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$21,343 (2022: deficiency of \$25,117).

The Corporation does not have sufficient plan information on the MEPP/PSPP/SRP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the MEPP/PSPP/SRP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024**

Note 16 FINANCIAL RISK MANAGEMENT

The Corporation has the following financial instruments: accounts receivable, accounts payable, accrued liabilities and debt.

The Corporation is exposed to a variety of financial risks associated with its use of financial instruments; interest rate risk, liquidity risk, other price risk, credit risk and foreign currency risk.

(a) Interest Rate Risk

Interest rate risk is the risk that the rate of return and future cash flows on the Corporation's cash and cash equivalents held in bank accounts will fluctuate because of changes in market interest rates. As the Corporation holds bank deposits that are interest bearing and accounts payable which are non-interest bearing, the Corporation is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Corporation's future net cash flows for the possibility of negative net cash flow. The Corporation manages the liquidity risk resulting from its accounts payable obligations by maintaining cash and cash equivalents resources in interest bearing bank deposits.

(c) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation's financial instruments are not exposed to changes in market prices.

(d) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. The Corporation is not exposed to any significant credit risk from potential non-payment of accounts receivable. As at March 31, 2024, the balance of accounts receivable does not contain amounts that are uncollectible.

(e) Foreign Currency Risk

The Corporation is exposed to foreign currency risk associated with accounts payable that are denominated in currencies other than the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk relating to its liabilities.

**TRAVEL ALBERTA
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2024**

Note 17 COMPARATIVE FIGURES

Certain 2023 figures have been reclassified, where necessary, to conform to the 2024 presentation.

Note 18 APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on May 9, 2024.

**TRAVEL ALBERTA
EXPENSES - DETAILED BY OBJECT
MARCH 31, 2024**

	2024		2023
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, wages and employee benefits	\$ 10,380	\$ 9,481	\$ 8,937
Supplies and services	30,935	36,372	33,451
Grants ⁽¹⁾	30,775	28,371	25,523
Financial transactions and other	-	19	1
Amortization of tangible capital assets (Note 12)	66	105	73
Total expenses	<u>\$ 72,156</u>	<u>\$ 74,348</u>	<u>\$ 67,985</u>

⁽¹⁾ Grants include the Corporation's Co-operative Marketing Investment Program, Tourism Product Investment Program, Community Investment Program and other grants.

Schedule 2

**TRAVEL ALBERTA
SALARY AND BENEFITS DISCLOSURE
MARCH 31, 2024**

	2024			2023	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total
	(In thousands)				
Chair of the Board of Directors	\$ -	\$ 12	\$ 1	\$ 13	\$ 11
Members of the Board of Directors ⁽⁴⁾		27	1	28	39
Chief Executive Officer ⁽⁵⁾	284	23	50	357	311
Executive/Vice-Presidents:					
Senior Vice President, Chief Marketing Officer	208	4	43	255	257
Senior Vice President, Chief Financial & Operations Officer	216	-	51	267	259
Corporate Counsel	185	14	41	240	229
Vice President, Strategy, Research and Communications	153	8	31	192	204
Senior Vice President, Chief Commercial Officer	241	21	45	307	284
Vice President, Economic Development ⁽⁶⁾	71	19	16	106	-
	<u>\$ 1,358</u>	<u>\$ 128</u>	<u>\$ 279</u>	<u>\$ 1,765</u>	<u>\$ 1,594</u>

⁽¹⁾ Base salary includes regular salary.

⁽²⁾ Other cash benefits include honoraria, vehicle allowance, moving allowance, and vacation payouts. There were no bonuses paid in 2024.

⁽³⁾ Other non-cash benefits include the Corporation's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, professional memberships and tuition fees.

⁽⁴⁾ The board consists of seven independent members including the Chair, whose honorarium is disclosed separately.

⁽⁵⁾ The Chief Executive Officer also holds the Deputy Minister position with the Ministry of Tourism and Sport, therefore Base Salary reflects this dual role for 2023-24.

⁽⁶⁾ The Vice President, Economic Development was hired on November 20, 2023. The position was not occupied previous year.

TRAVEL ALBERTA
RELATED PARTY TRANSACTIONS
MARCH 31, 2024
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation.

The Corporation paid or collected certain taxes and fees set by regulation for premiums, 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.

As at March 31, 2024, related parties included:

Five private companies that have directors and/or officers who also serve as Directors of Travel Alberta. Two of these organizations received Investment Program Grants from Travel Alberta amounting to \$1,000 (2023: \$20), during the year. These Grants were provided on normal commercial terms and in accordance with Grant program guidelines. All other transactions incurred with these organizations were conducted on normal commercial terms.

As at March 31, 2023 and March 31, 2024, there were no related parties transactions associated with:

- Key management personnel and close family members of those individuals in the Corporation.

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

	2024	2023
	<i>(in thousands)</i>	
Revenues		
Grants	\$ 71,260	\$ 62,848
Interest ⁽¹⁾	40	38
	<u>\$ 71,300</u>	<u>\$ 62,886</u>
Expenses		
Grants	\$ 1,000	\$ 20
Other services	52	130
	<u>\$ 1,052</u>	<u>\$ 150</u>
Payable to ⁽²⁾	<u>\$ (180)</u>	<u>\$ (432)</u>

⁽¹⁾ Interest earned on Consolidated Liquidity Solution (CLS).

⁽²⁾ Prior year amount in Payable to Related Party has been restated (2023: \$100).

Other Financial Information

Statement of Credit or Recovery (unaudited)

Department of Tourism and Sport Year Ended March 31, 2024

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	Budget	Approved Adjustment ⁽¹⁾	Adjusted Budget <i>(in thousands)</i>	Actual Revenue Recognized ⁽²⁾	(Shortfall)/ Excess ⁽³⁾
Sport, Physical Activity and Recreation ⁽⁴⁾	\$ 3,125	\$ 1,000	\$ 4,125	\$ 3,546	\$ (579)
	\$ 3,125	\$ 1,000	\$ 4,125	\$ 3,546	\$ (579)

(1) Approved Adjustments are authorized changes in estimate amounts subsequent to the Original Estimate. Treasury Board, pursuant to section 24(2) of the Financial Administration Act approved an increase of \$1.0M for Sport, Physical Activity and Recreation recoveries under the Expense vote.

(2) Revenues from Credit or Recovery initiatives are included in the Department's revenues.

(3) Shortfall is deducted from current year's authorized budget, as disclosed in Lapse/Encumbrance.

(4) Revenue from donations, fees and other sources are used to fund the cost of sport programs, facilities, and services.

Lapse/Encumbrance (unaudited)

Department of Tourism and Sport
Year Ended March 31, 2024

<i>(in thousands)</i>	Voted Estimates ⁽¹⁾	Adjustments ⁽²⁾	Adjusted Voted Estimates	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
Expense Vote by Program					
Ministry Support Services					
1.1 Minister's Office	\$ -	\$ -	\$ -	\$ 26	\$ 27
1.2 Deputy Minister's Office	-	-	-	512	512
1.3 Strategic Services	500	-	500	490	(10)
	500	-	500	1,028	529
Tourism					
2.1 Program Support	\$ 800	-	\$ 800	\$ 425	\$ (375)
2.2 Tourism Policy and Strategy	1,007	-	1,007	858	(149)
2.3 Grant to Travel Alberta Corporation	71,940	-	71,940	71,260	(680)
	73,747	-	73,747	72,543	(1,204)
Sport, Physical Activity and Recreation					
3.1 Recreation and Physical Activity Services	\$ 2,295	\$ -	\$ 2,295	\$ 1,606	\$ (689)
3.2 Sport Development Services	1,375	-	1,375	1,018	(357)
3.3 Multi-sport Games	1,650	-	1,650	2,029	379
3.4 Support for Sport, Physical Activity and Recreation	25,105	1,000	26,105	26,677	571
	30,425	1,000	31,425	31,330	(96)
Total	104,672	1,000	105,672	104,901	(771)
Credit or Recovery Shortfall		(579)	(579)	-	579
	\$ 104,672	\$ 421	\$ 105,093	\$ 104,901	\$ (192)
(Lapse)/Encumbrance					\$ (192)
Contingency Vote by Program					
Ministry Support Services					
1.1 Minister's Office	\$ -	\$ 485	\$ 485	\$ 485	\$ -
Sport, Physical Activity and Recreation					
3.4 Support for Sport, Physical Activity and Recreation	-	3,900	3,900	3,900	-
Total	\$ -	\$ 4,385	\$ 4,385	\$ 4,385	\$ -
(Lapse)/Encumbrance					\$ -

(1) Per amount approved by *the Appropriation Act, 2023*, as detailed in the "Expense Vote by Program" and "Capital Investment Vote by Program" and "Financial Transactions Vote by Program" pages 55-64 of 2023-24 *Government Estimates* tabled in the Legislative Assembly on March 28, 2023. Estimate figures have been restated due to the June 2023 government reorganization and transfers to Tourism and Sport, outlined in Order in Council 157_2023.

(2) Adjustments include encumbrances, capital carry over amounts, transfers between votes, credit or recovery increases approved by Treasury Board, and cost or recovery shortfalls (Schedule 2). An encumbrance is incurred when, on a vote-by-vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year. Adjustments also include supply vote transfers for "Contingency" as approved by the Lieutenant Governor in Council under the direction of the Minister of Finance. The Contingency supply vote consists

of a provisional funding authority transferable to any ministry. Upon approval by the Lieutenant Governor in Council, the President of Treasury Board and Minister of Finance may either spend or transfer all or a portion of this supply vote to another Minister for public emergencies, disasters, or unanticipated costs. As per Order in Council 057/2024 approved on March 27, 2024, \$4,385K was transferred from the Department of Treasury Board and Finance to the Department of Tourism and Sport for the purpose of the Minister's Office and Support for Physical Activity and Recreation for the Canadian Finals Rodeo and Hockey Canada events.

(3) Actuals exclude non-voted amounts as no cash disbursement is required (non-cash amount), or because the Legislative Assembly has already provided the funding authority to a statute other than an appropriation act. Non-cash amounts, (such as amortization and valuation adjustments) are excluded as these amounts do not require any expenditure or payment of public money. Year-end expense accruals & payables which will immediately require a cash outlay (payment of public money) to settle or otherwise extinguish the liabilities are included in Actuals.

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

- (2) The report under subsection (1) must include the following information:
 - (a) the number of disclosures received by the designated officer, 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.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with Public Interest Disclosure Office for Tourism and Sport between April 1, 2023 and March 31, 2024.

Governmental Organizational Changes

On June 9, 2023, the government announced new ministry structures. As such, certain responsibilities of the former Ministries of Culture and Forestry, Parks and Tourism were transferred to the Ministry of Tourism and Sport.