



Alberta
Foundation
for the **Arts**

Annual Report
2008–09

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Board Mandate

The Alberta Foundation for the Arts (AFA) was established in 1991 as a crown agency of the Government of Alberta, with a mandate to support and contribute to the development of the arts in Alberta.

The purposes of the foundation, as stipulated in *The Alberta Foundation for the Arts Act*, are

- (a) to support and contribute to the development of and to promote the arts in Alberta;
- (b) to provide persons and organizations with the opportunity to participate in the arts in Alberta;
- (c) to foster and promote the enjoyment of works of art by Alberta artists;
- (d) to collect, preserve and display works of art by Alberta artists;
- (e) to encourage artists resident in Alberta in their work.

Board Vision

An Alberta where a vibrant arts community inspires creativity and innovation and is part of the fabric of how we live and work.

Board Mission

The foundation exists to fund, encourage and support the development of arts as a valuable contributor to quality of life in Alberta, and to maintain and expand the Alberta Foundation for the Arts Art Collection as a strategic resource for all Albertans.

In 2008–09, the Alberta Foundation for the Arts Board of Directors developed a new strategic plan for 2009–12. As a result, in 2008–09 the Alberta Foundation for the Arts committed to the following strategic goals, as stated in the *Strategic Plan for 2009–12*, as a means to achieve its mission and vision:

- Implement Alberta’s Cultural Policy by creating enhanced opportunities for Alberta’s artists and arts organizations.
- Review the comprehensive evaluation of all Alberta Foundation for the Arts programming in the context of the evolving needs of Alberta artists and arts organizations and develop an efficient and effective funding model for implementation in 2010–11.
- Invest in Alberta’s artists and arts organizations in an efficient and transparent manner to inspire excellence in the Arts.

- Communicate with Albertans about the value of the arts as a key expression of Alberta’s culture.

Alberta Foundation for the Arts Board Membership for 2008–09

Audrey Luft, Edmonton
Member since March 2000,
Chair since March 2004,
Chair of Executive Committee,
Member of Finance Committee

Gregor J. Allan, Edmonton
Member since February 2006,
Vice Chair from September 2007–
February 2009,
Member of Finance Committee and
Grants Committee

Eric Fechter, Calgary
Member since August 2007,
Vice Chair since February 2009,
Chair of Finance Committee,
Member of Grants Committee and
Executive Committee

Karen Kryczka, Calgary
Member since October 2005,
Member of Grants Committee

Bob Maskell, Edmonton
Member since February 2006,
Chair of Collection Committee,
Member of Executive Committee

Judy Dreeschen, Central Alberta
Member since March 2003,
Member of Collection Committee

Dan Westwood, Southwest Alberta
Member since January 2006,
Member of Collection Committee

Dr. Douglas Abel, Northeast Alberta
Member since September 2004,
Chair of Grants Committee,
Member of Executive Committee

Dr. Mike Bregazzi, Calgary
Member since October 2006,
Member of Grants Committee

Jeffrey Welling, Southeast Alberta
Member since October 2006,
Member of Collection Committee

Kristina Kowalski, Northwest
Alberta
Member since August 2002,
Member of Finance Committee, last
meeting as Board Member May
2008

Jeffrey Anderson, Executive
Director (May 2008)

Steve Pritchard, Acting Executive
Director, (November 2008–March
2009)

Sue Bohaichuk, Assistant Deputy
Minister, Culture and Community
Spirit, Secretary, February 2007

Board Committees

The following standing committees carry out the work of the Alberta Foundation for the Arts:

The **Executive Committee** reviews and recommends new or revised policy, provides direction for planning and makes decisions, subject to board ratification, on extraordinary funding requests and program issues between scheduled board meetings.

The **Finance Committee** is responsible to the board on all financial and business planning matters. The committee's function is to assist the Alberta Foundation for the Arts Board of Directors by reviewing, reporting and making recommendations on:

- The Alberta Foundation for the Arts budget, budget status and year end accountability and financial reports provided by the Alberta Foundation for the Arts to the Minister of Culture and Community Spirit
- The foundation's system of internal controls regarding accountability that the executive director and the board have established
- Alberta Foundation for the Arts accounting and financial reporting processes

The **Grants Committee** approves grants and other adjudication matters for board ratification and recommends new policy as required.

The **Collection Committee** recommends new policy, reviews and recommends revisions to the existing Alberta Foundation for the Arts collection policy, ensures the appropriateness of programs and services according to policy, provides direction to the board on planning and approves—subject to board ratification—or recommends the acquisition of artworks for the Alberta Foundation for the Arts Art Collection.

Board Attendance

In 2008–09, the board and committees each met quarterly. Board attendance for the year was 98 per cent.

Board Governance Practices

The board has adopted a governance framework that defines accountability between the board and the Minister. To achieve greater efficiency across the foundation, the board provides the oversight and strategic decision making for the foundation while delegating the day-to-day management of the operations to the Arts Branch of the Ministry of Culture and Community Spirit. The Alberta Foundation for the Arts Board has policies to support its commitment to governance practices including:

- Broad written governance guidelines and board-management delegation policies

- Continual board development, including an orientation program for new board members on board and corporate operations
- Rules of order
- Accountability to the shareholder, the Government of Alberta
- Board job descriptions
- Guidelines for agendas and annual planning
- A board members' code of ethics covering conflict of interest and fiduciary responsibilities, including an annual affirmation by Board members on compliance with the policy
- Terms of reference for each board committee

Responsibilities of the Alberta Foundation for the Arts Board

(from the Memorandum of Understanding between the Alberta Foundation for the Arts and the Ministry of Culture and Community Spirit, 2008)

In response to strategic direction from the Minister, the Alberta Foundation for the Arts board will:

Establish policies for the provision of funding to, and the administration of programs for, the development of the arts in Alberta.

Within these policies, develop a three-year strategic plan, within the context of the ministry business plan, for the funding of programs for the development of the arts in Alberta.

Allocate funding and estimate revenues in accordance with the strategic plan.

Oversee and evaluate the implementation and execution of the strategic plan.

Establish performance measures and report on outcomes.

Follow established internal controls and comply with management information system requirements to ensure integrity and accountability of financial information.

Evaluate and report on the board's performance against the Alberta Foundation for the Arts' strategic plan goals and performance outcomes, using criteria agreed upon between the Minister and the board.

Reporting on the Accomplishments of the Alberta Foundation for the Arts

Reporting Requirements

The Alberta Foundation for the Arts met all the reporting requirements for 2008–09 as outlined under the Memorandum of Understanding between the foundation and the Minister of Culture and Community Spirit including:

- Annual reporting
- Audited financial statements
- Performance measures

This section includes accomplishments from the ministry 2008–11 business plan, accomplishments of strategic objectives from the Alberta Foundation for the Arts 2008–11 strategic plan, as well as an overview of grants awarded in the 2008–09 fiscal year. Audited financial statements follow at the end of the document.

Accomplishment of Goals from the *Culture and Community Spirit Business Plan 2008–11*

The Alberta Foundation for the Arts supports and contributes to the ministry business plan for 2008–11 in many different ways. Detailed information follows in the *Accomplishment of Goals from the Alberta Foundation for the Arts Strategic Plan*.

Core Business One: Foster the sustainability and appreciation of Alberta's cultural industries and the arts.

Goal One: Increased growth, sustainability and investment in Alberta's cultural industries, including film and television, sound recording and book and magazine publishing.

What it means: Providing financial assistance through the Alberta Foundation for the Arts to support sound recording and book and magazine publishing in Alberta.

Strategy: Enhance financial support to the sound recording and book and magazine publishing industries, and examine program delivery options to ensure the best model is in place. *The Alberta Foundation for the Arts granted approximately \$1.3 million to book and magazine publishers, sound recording companies and cultural industries projects, a significant increase from previous years. The Alberta Foundation for the Arts Program Evaluation reviewed the foundation's support to cultural industries through stakeholder consultations.*

Goal Two: Alberta is a culturally vibrant province with a thriving arts sector that is valued by Albertans.

What it means: Promoting participation in, and fostering appreciation of, the arts through the Alberta Foundation for the Arts. ***The foundation granted in excess of \$32.5 million dollars to individual artists and arts organizations in Alberta. Adult Albertans have been participating in the arts at historically high levels since this measure has been tracked.***

| Public Participation & Perceptions of the Arts Arts Branch 2008–09 | |
|---|-----|
| % of adult Albertans who participated in or attended arts activities or events | 91% |
| % of adult Albertans participating in the arts (e.g., playing a musical instrument, performing, etc.) | 66% |
| % of adult Albertans attending arts activities or events | 86% |
| % of adult Albertans who feel the arts are important to quality of life | 90% |
| % of adult Albertans who feel it is important to fund and support the arts | 88% |

Source: Annual Survey of Albertans 2009

- Preserving, maintaining and displaying Alberta's art collections. ***See detail in section entitled Building and Maintaining the Alberta Foundation for the Arts Art Collection.***

Strategies from the *Culture and Community Spirit Business Plan 2008–11*:

- Promote and support culture in Alberta by working with partners to implement *The Spirit of Alberta*, Alberta's Cultural Policy and establishing a Premier's Council on Arts and Culture. ***The Alberta Foundation for the Arts 2008–11 Strategic Plan supports The Spirit of Alberta.***
- Profile Alberta's culture by supporting the participation of Alberta artists in the 2010 Cultural Olympiad celebrations. ***The Alberta Foundation for the Arts supported 17 Alberta artists/ensembles in their participation in the Cultural Olympiad in February 2009.***
- Work with clients and stakeholders to foster sustainability of the arts by improving key programs and services. ***The Alberta Foundation for the Arts completed a three year evaluation of its programs in the spring of 2009.***
- Improve access to public art collections through the Traveling Exhibition and the Art Placement programs. ***Over 100 communities hosted venues for the Traveling Exhibition Program and online access to the Alberta Foundation for the Arts Art Collections has been increased.***

Accomplishment of Strategic Objectives from the 2008–11 Alberta Foundation for the Arts Strategic Plan

During a one-day strategic planning session in May 2008, the board considered the strategic plan in the light of its connection to legislation, the ministry business plan and *The Spirit of Alberta*, Alberta's Cultural Policy.

Four goals were agreed upon highlighting implementation of the cultural policy, reviewing and revising programs based on the program evaluation, investing in artists and communicating about the value of the arts as part of Alberta culture.

The board endorsed a new, streamlined format for the strategic plan based on recommendations arising from the Arts Branch internal process audit of 2007. The plan now clearly links board goals to branch strategies and performance measures. The strategies outline a direction for the Alberta Foundation for the Arts over the next three years, but excellent progress has been made of many of them in the 2008–09 year.

1. Implement Alberta's Cultural Policy by creating enhanced opportunities for Alberta's artists and arts organizations.

Strategy 1: As Alberta's primary arts funding body, administer grants for professional and community arts activities

Strategy 2: Create networking opportunities for artists and arts administrators

Strategy 3: Explore the use of new technologies to expand access to Alberta art

Strategy 4: Maintain the Alberta Foundation for the Arts Art Collection and support touring exhibitions

Strategy 5: Evaluate current foundation support and make recommendations to contribute to the growth and sustainability of Alberta's cultural industries

Alberta Foundation for the Arts grant funding levels were at an historical high in 2008–09 with in excess of \$32.5 million awarded to a wide range of grant recipients—including communities, professional performing arts companies, emerging artists and some of Alberta's most senior and established artists—in support of their artistic endeavors. A total of \$31.2 million was paid out in 2008–09.

The Alberta Foundation for the Arts' support of the 2009 Cultural Olympiad was significant in providing networking opportunities for Alberta artists, as they participated in the 2009 Cultural Olympiad alongside artists from every Canadian province and territory and five continents. Contributions totaling \$1.35 million from the Alberta Foundation for the Arts ensured that Alberta artists were able to reach a broad national and international audience.

The Alberta Foundation for the Arts' Traveling Exhibition (commonly known as the TREX Program), regionally curated in four quadrants of the province, placed exhibits of Alberta art in 189 venues in 112 rural communities. Curatorial and educational support materials were provided in community settings. Online access to digital images of the collection for the public, and for curators, allows for easier access of curation by community partners in the Traveling Exhibition program.

The Alberta Foundation for the Arts Program Evaluation was successful in soliciting the views of cultural industries stakeholders regarding the role that Alberta Foundation for the Arts funding plays in their operations. The program evaluation contributed to one of the strategies of the ministry of Culture and Community Spirit to work collaboratively with the sector to explore options for funding models.

2. Review the comprehensive evaluation of all Alberta Foundation for the Arts programming in the context of the needs of Alberta artists and arts organizations and develop an efficient and effective funding model for implementation in 2010–11.

Strategy 6: Consider recommendations from the Program Evaluation Steering Committee in light of *The Spirit of Alberta*, Alberta's cultural policy

Strategy 7: Create and/or revise programs based on Alberta Foundation for the Arts board direction

Strategy 8: Communicate program changes to Alberta Foundation for the Arts clients using a variety of methods

The three-year Alberta Foundation for the Arts Program Evaluation continued in its final year in 2008–09. Reports were presented to the Alberta Foundation for the Arts summarizing extensive client consultation by professional research firms for the following grant program areas:

- Legislation, policies and procedures
- Trends in the arts and arts funding: primary research
- Trends in the arts and arts funding: secondary research
- Community support organizations
- Art acquisition by application
- Art exhibitions and public art galleries
- Traveling exhibitions
- Post-secondary institutions
- Artists and education
- Performing arts organizations
- Community presenting
- Arts festivals
- Arts summer schools program
- Provincial arts service organizations
- Funding for individual artists

- Cultural industries
- Cultural component of Alberta Games
- Cultural relations
- Visual programs
- Alberta future leaders—arts camps
- General survey of Alberta Foundation for the Arts stakeholders

The Alberta Foundation for the Arts Program Evaluation was a three year project (2006–09) initiated to identify ways in which the Alberta Foundation for the Arts can most effectively support the growth and development of the arts in Alberta. A Program Evaluation Steering Committee met quarterly to govern the evaluation process, which included extensive reviews of findings for all research commissioned by the Alberta Foundation for the Arts. External consultants were hired to complete individual projects within the larger program evaluation framework, ensuring objectivity in data collection and analysis.

In February 2009, the Alberta Foundation for the Arts board received a final report on the process from the Program Evaluation Steering Committee. The Alberta Foundation for the Arts board responded to the recommendations in the report and submitted it to the Minister.

Both the board and the steering committee had formal discussions about the findings in light of *The Spirit of Alberta*, and the cultural policy provides a framework for program restructuring and implementations of the recommendations.

Nearly 2,000 Alberta stakeholders in the arts were consulted over the course of the evaluation process. Findings will be used to create a more efficient and effective funding model for implementation in 2010–11.

3. Invest in Alberta’s artists and arts organizations in an efficient and transparent manner to inspire excellence in the arts.

Strategy 9: Deliver grants to further the creation and production of art in all disciplines

Strategy 10: Deliver workshops and web resources to enhance client success (e.g., grant writing, effective recognition)

Strategy 11: Purchase new works for the provincial art collection

The Alberta Foundation for the Arts’ multidisciplinary project funding ensures that artists in emerging disciplines or hybrids of other artistic disciplines are supported. For the first time, in 2008–09, grants were available to Aboriginal artists who work primarily in a traditional cultural art media, and to support traditional art that is passed from one generation to the next.

Grant writing workshops were provided by Arts Branch staff on 22 occasions to provide guidance to potential Alberta Foundation for the Arts applicants. New guidelines for Alberta Foundation for the Arts recognition were made available on the Alberta Foundation for the Arts website. Also, the Grant MacEwan Literary Prize was transferred from the department to the Alberta Foundation for the Arts to ensure transparent consistency in the awarding of this monetary prize.

The Alberta Foundation for the Arts Art Collection gained 194 new artworks by 50 Alberta artists in 2008–09 through curatorial purchases, the Art Acquisition by Application Program and through donations.

Transparency has been improved at the board level with newly implemented board governance, including board member self-evaluation, evaluation of the performance of the board as a whole and evaluation of the performance of the board chair. Board members also participated in assessments of the effectiveness of each meeting.

4. Communicate with Albertans about the value of the arts as a key expression of Alberta's culture.

Strategy 12: Promote key messages consistently across platforms including workshops, displays and websites

Strategy 13: Provide information on successful Alberta Foundation for the Arts grants to the public in annual publications, web and/or print

Strategy 14: Gather examples of the benefits of the arts and present them in web-based and other media

Strategy 15: Create and implement a new Alberta Foundation for the Arts recognition package to encourage public awareness of the foundation's funding scope, both in the varied locations of grant recipients and the variety of arts activities

The Alberta Foundation for the Arts partnered with Culture and Community Spirit to launch the inaugural Alberta Arts Day in September of 2008 to showcase Alberta art and involve Alberta communities in numerous strategies to increase participation in, and appreciation of, Alberta's rich artistic scene.

The Alberta Foundation for the Arts Newswire, an electronic newsletter, had approximately 4,000 subscribers, ensuring that stakeholders receive information about arts funding and Alberta Foundation for the Arts activity frequently and in a timely manner. Online grant application forms continued to be refined, and Alberta Foundation for the Arts web content and architecture were reviewed and improved. The 2008–09 year saw continued development of Alberta Foundation for the Arts promotional materials, including pins, videos and new recognition guidelines were made available online. Increased emphasis was placed on digitizing the Alberta Foundation for the Arts Art Collection to make images from the collection accessible to the public, students and curators. The *AFA Year in Review* publication, highlighting success stories and the work

of the Alberta Foundation for the Arts, was distributed at Alberta Arts Day 2008 and is also available on the Alberta Foundation for the Arts website.

| Grant Writing Workshops Arts Branch 2008–09 | |
|--|-----|
| # of workshops | 22 |
| Total attendance | 485 |
| Client satisfaction (from client evaluations) | 99% |

Building and Maintaining the Alberta Foundation for the Arts Art Collection

The following tables summarize Alberta Foundation for the Arts Art Collection activity for 2008–09. The collection gained 194 new artworks by 50 artists in 2008–09 and, since 2007, is housed in its new location at the Capital Arts Building in Edmonton.

| Alberta Foundation for the Arts Art Collection 2008–09 | |
|--|-------|
| # of artworks in Alberta Foundation for the Arts Art Collection | 7,835 |

| Art Acquisition by Application, 2008–09 | October 2008 | March 2009 | Total |
|--|-------------------------|-----------------------|--------------|
| # of artworks purchased | 45 | 16 | 61 |
| # of artists – purchased works | 32 | 11 | 43 |
| # of artworks submitted for consideration | 460 | 439 | 899 |
| # of artists – submitted works | 107 | 98 | 205 |
| # of communities – purchased artworks | 11 | 4 | 15 |
| # of communities – submitted artworks | 21 | 19 | 40 |

| Art Acquisition – Curatorial 2008–09 | | Results |
|---|--|----------------|
| # of artworks purchased – curatorial | | 129 |
| # of artists – purchased works – curatorial | | 55 |

| Art Donations 2008–09 | | Results |
|----------------------------------|--|----------------|
| # of artworks donated | | 4 |
| # of artists – donated works | | 4 |

Helping Albertans Make Use of the Alberta Foundation for the Arts Art Collection

The Alberta Foundation for the Arts Art Collection was made accessible to Albertans through 17 public exhibitions—6 exhibitions at 203 venues which were part of the Traveling Exhibition Program, and 11 exhibitions which were in public and private galleries.

The Traveling Exhibition Program served 85 rural communities. There were 99 artworks from the collection on loan to public and private galleries, and one extended/permanent loan of artwork were made to galleries in 2008–09. Art from the collection is also made accessible in government and not-for-profit offices through the Art Placement Program, with nearly 2,500 artworks on loan.

| Art Placement Program 2008–09 | | Results |
|---|--|----------------|
| Total # of artworks on placement | | 2,450 |
| # of artworks placed in government offices | | 1,350 |
| # of artworks placed in non-government areas | | 1,100 |
| # of active clients in Art Placement Program (current fiscal) | | 190 |
| # of pending requests for art placement | | 55 |

Arts Grants

In 2008–09, the Alberta Foundation for the Arts received a total of over \$34.9 million through the Alberta Lottery Fund—approximately a 35 per cent increase from 2007–08.

More than \$32 million worth of grants were awarded in this period, with approximately 93 per cent of the Alberta Foundation for the Arts' total budget going directly to organizations, individuals and groups working in the arts. Grants are awarded through 34 funding programs within four broad categories—creation and production, arts participation, arts promotion and collection and display. In 2008–09 a total of 1,420 grants were awarded by the Alberta Foundation for the Arts —valued at \$32,578,482. A total of \$31,193,068 has been paid.

Of 1,420 grants awarded:

- 485 grants were awarded to individuals, groups and organizations in Calgary and area, 513 in Edmonton and area, 193 to mid-size cities and towns and 224 to rural communities throughout the province.
- 565 grants were awarded to not-for-profit organizations ranging from large professional arts organizations (including theatres, art galleries, operas and symphonies), smaller professional arts organizations, amateur and community-based groups—as well as service organizations supporting the arts or using arts activities as key ways to enhance and improve the services they provide to Albertans. Grants awarded to these not-for-profit groups equal just over \$22.8 million.
- 36 grants were awarded to businesses working in the cultural industries—including book publishing, film and TV production, magazine publishing and sound recording—receiving support from the Alberta Foundation for the Arts valued at approximately \$1.39 million.
- 264 schools across Alberta received funds to support the arts and creativity in educational settings. In addition, the Alberta Foundation for the Arts awarded 15 post-secondary institutions grants valued at just over \$1.34 million. Six libraries received almost \$15 thousand for arts activities in their venues.
- 2,807 Alberta youth were able to participate in arts programming over the summer months in a variety of disciplines (dance, instrumental music, writing, film and video production, and traditional Aboriginal arts). 1,962 school age youth participated in arts camps in Aboriginal communities (up from 1,600 in 2007), and 845 participated in summer school programming.
- Eighteen non-profit public galleries received just over \$2 million in grants.
- The Alberta Foundation for the Arts contributed \$1.145 million to the Alberta Creative Development Initiative (ACDI), a partnership between the Alberta Foundation for the Arts and the Canada Council for the Arts in collaboration with the Calgary Arts Development Authority and the Edmonton Arts Council.
- The Alberta Sport, Recreation, Parks & Wildlife Foundation was granted \$150,000 to support the cultural component of the Alberta Games.
- Artists and arts organizations received over \$3.6 million.

| Summary of Grants Awarded in 2008–09 | | |
|--|--------------|---------------------|
| Program | # of Awards | Value (\$) |
| Creation and Production | | |
| Alberta Major Performing Arts Companies | 10 | 6,300,000 |
| Book Publishers | 10 | 835,000 |
| Community Performing Arts Organizations | 143 | 2,055,000 |
| Cultural Industries—Projects | 10 | 130,855 |
| Cultural Relations | 31 | 372,300 |
| Magazine Publishers | 12 | 300,000 |
| Professional Performing Arts Companies | 42 | 2,400,000 |
| Sound Recording | 4 | 125,000 |
| SUB-TOTAL | 262 | 12,518,155 |
| Arts Promotion | | |
| Aboriginal Arts Organizations Project | 9 | 90,000 |
| Alberta Games—Alberta Sport, Recreation, Parks & Wildlife Foundation | 1 | 150,000 |
| Arts Partnerships | 7 | 108,622 |
| Community Support Organizations—Operating | 113 | 2,693,073 |
| Community Support Organizations—Projects | 21 | 242,398 |
| Designated Arts Organizations | 4 | 317,645 |
| Projects Development | 8 | 2,727,000 |
| Projects—Aboriginal Traditional Arts | 7 | 60,985 |
| Projects—Dance | 45 | 265,994 |
| Projects—Film/Video | 40 | 317,343 |
| Projects—Multidisciplinary | 22 | 156,990 |
| Projects—Music | 118 | 685,072 |
| Projects—Theatre | 50 | 309,217 |
| Projects—Visual Arts | 74 | 536,727 |
| Projects—Writing | 50 | 336,258 |
| Provincial Arts Service Organizations | 11 | 1,700,000 |
| Arts Awards | 5 | 160,000 |
| SUB-TOTAL | 585 | 10,857,324 |
| Arts Participation | | |
| Artists & Education | 263 | 1,243,799 |
| Arts Festivals | 71 | 1,500,000 |
| Community Presenting | 109 | 1,608,514 |
| Post-Secondary Institutions | 15 | 1,051,400 |
| Summer Schools | 5 | 390,000 |
| SUB-TOTAL | 463 | 5,793,713 |
| Collection and Display | | |
| Art Acquisition by Application | 46 | 248,089 |
| Art Acquisition—Curatorial | 41 | 443,355 |
| Public Galleries | 18 | 2,067,846 |
| Traveling Exhibition Program | 5 | 650,000 |
| SUB-TOTAL | 110 | 3,409,290 |
| TOTAL | 1,420 | \$32,578,482 |
| TOTAL PAID | | \$31,193,068 |



Financial Statements
March 31, 2009

**Alberta Foundation for the Arts
Financial Statements
March 31, 2009**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs



Auditor's Report

To the Members of the Alberta Foundation for the Arts and the Minister of Culture and Community Spirit:

I have audited the statement of financial position of the Alberta Foundation for the Arts as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA
Auditor General

Edmonton, Alberta
June 10, 2009

**Statement of Operations
For the Year ended March 31, 2009
(thousands of dollars)**

| | 2009 | | 2008 |
|---|----------------|-----------------|-----------------------------|
| | Budget | Actual | Actual Restated (Note 3) |
| Revenues | | | |
| Internal Government Transfers | | | |
| Transfers from the Department of Culture and Community Spirit | \$ 34,984 | \$ 34,984 | \$ 25,929 |
| Investment Income | 525 | 503 | 452 |
| Other Revenue | | | |
| Prior Years Refunds of Expenses | 60 | 65 | 70 |
| Donations of Artworks | 125 | 274 | 13 |
| | <u>35,694</u> | <u>35,826</u> | <u>26,464</u> |
| Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3) | | | |
| Arts Creation and Production | 12,918 | 12,859 | 9,433 |
| Arts Promotion | 10,124 | 11,296 | 8,522 |
| Arts Participation | 7,390 | 6,827 | 5,130 |
| Art Collection and Display | 4,917 | 4,421 | 3,062 |
| Administration | 372 | 366 | 341 |
| | <u>35,721</u> | <u>35,769</u> | <u>26,488</u> |
| Net Operating Results | <u>\$ (27)</u> | 57 | (24) |
| Operating Fund Balance, Beginning of Year | | <u>1,305</u> | <u>1,329</u> |
| Operating Fund Balance, End of Year | | <u>\$ 1,362</u> | <u>\$ 1,305</u> |

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

Statement of Financial Position
As at March 31, 2009
(thousands of dollars)

| | <u>2009</u> | <u>2008</u> |
|--|-----------------|-----------------|
| Financial Assets | | |
| Cash and Short-Term Investments (Note 4) | \$ 1,377 | \$ 2,153 |
| Accrued Interest | - | 15 |
| Accounts Receivable (Note 5) | 5 | 55 |
| | <u>1,382</u> | <u>2,223</u> |
| Cash Appropriated for Non-Current Use (Note 4) | 467 | 467 |
| Tangible Capital Assets (Note 6) | <u>174</u> | <u>201</u> |
| | <u>\$ 2,023</u> | <u>\$ 2,891</u> |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | <u>\$ 194</u> | <u>\$ 1,119</u> |
| Fund Balances | | |
| Operating | 1,362 | 1,305 |
| General Reserve – Restricted (Note 8) | <u>467</u> | <u>467</u> |
| | <u>1,829</u> | <u>1,772</u> |
| | <u>\$ 2,023</u> | <u>\$ 2,891</u> |

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

Statement of Cash Flows
For the Year ended March 31, 2009
(thousands of dollars)

| | 2009 | 2008 |
|---|----------|----------|
| Operating Transactions | | |
| Net Operating Results | \$ 57 | \$ (24) |
| Non-cash Items included in Net Operating Results | | |
| Amortization of Tangible Capital Assets | 27 | 27 |
| | 84 | 3 |
| Decrease (Increase) in Accounts Receivable and Accrued Interest | 65 | (49) |
| (Decrease) Increase in Accounts Payable and Accrued Liabilities | (925) | 226 |
| | (776) | 180 |
| (Decrease) Increase in Cash | (776) | 180 |
| Cash, Beginning of Year | 2,153 | 1,973 |
| Cash, End of Year | \$ 1,377 | \$ 2,153 |

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

Notes to the Financial Statements For the Year ended March 31, 2009

Note 1 Authority and Purpose

The Alberta Foundation for the Arts (foundation) operates under the authority of the *Alberta Foundation for the Arts Act*, Chapter A-19, Revised Statutes of Alberta 2000.

The purposes of the foundation are:

- To support and contribute to the development of literary, performing, visual and media arts in Alberta;
- To provide both individuals and organizations with opportunities to participate in the arts in Alberta;
- To promote the enjoyment of works of art by Alberta artists;
- To oversee the collection, preservation and display of works of art by Alberta artists; and
- To encourage artists living in Alberta in their work.

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Alberta Foundation for the Arts, which is part of the ministry of Culture and Community Spirit (ministry) and for which the Minister of Culture and Community Spirit (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. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value can reasonably be determined.

**Notes to the Financial Statements
For the Year ended March 31, 2009**

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

(b) Basis of Financial Reporting (continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services directly in return.

Expenses

Directly Incurred

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

Directly incurred expenses include amortization of tangible capital assets.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

Incurred by Others

Services contributed by other entities in support of the foundation's operations are disclosed in Schedule 3.

Assets

Financial assets of the foundation are limited to cash and financial claims such as accounts receivable from other organizations as well as accrued interest.

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

**Notes to the Financial Statements
For the Year ended March 31, 2009**

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

(b) Basis of Financial Reporting (continued)

Artworks and Collections

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

Proceeds from the disposition of artworks can only be used to acquire other items to be added to the collection or for the direct care of existing artworks.

Investments

Investments are recorded at cost. Where there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss.

Liabilities

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

Valuation of Financial Assets and Liabilities

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

The fair values of accounts receivable, accrued interest and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

Note 3 Program Transfer (thousands of dollars)

The Major Facilities Grant Program, that provided funding to the Citadel Theatre in Edmonton and the EPCOR Centre for Performing Arts in Calgary, was transferred from the foundation to the department of Culture and Community Spirit, and the Grant MacEwan Scholarships Program was transferred from the department to the foundation. Comparatives for 2007–08 have been restated for these transfers. The effect was to decrease revenues by \$705 from \$27,169 to \$26,464 and to decrease expenses by \$705 from \$27,193 to \$26,488.

**Notes to the Financial Statements
For the Year ended March 31, 2009**

Note 4 Cash and Short-Term Investments and Cash Appropriated for Non-Current Use (thousands of dollars)

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2009, securities held by CCITF have a time-weighted return of 3.0% (2008 – 4.5%) per annum.

Short-term investments consisted of deposits in the amount of \$0 (2008 – \$300) with life insurance companies maturing April 4, 2008.

Cash appropriated for non-current use in the amount of \$467 (2008 – \$467) has been internally restricted and is therefore not available to pay for operating expenses of the foundation (Note 8).

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

Note 5 Accounts Receivable (thousands of dollars)

| | 2009 | | | 2008 |
|---------------------|-----------------|---------------------------------------|----------------------------|----------------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts Receivable | \$ 5 | - | 5 | \$ 55 |

Accounts receivable are unsecured and non-interest bearing.

**Notes to the Financial Statements
For the Year ended March 31, 2009**

Note 6 Tangible Capital Assets (thousands of dollars)

| | Equipment | Computer Hardware and Software | 2009 Total | 2008 Total |
|----------------------------------|---------------|--------------------------------------|---------------|---------------|
| Estimated Useful Life | 10 years | 4 years | | |
| Historical Cost | | | | |
| Beginning of Year | \$ 268 | \$ 20 | \$ 288 | \$ 301 |
| Additions | - | - | - | - |
| Disposals | - | - | - | (13) |
| | <u>\$ 268</u> | <u>\$ 20</u> | <u>\$ 288</u> | <u>\$ 288</u> |
| Accumulated Amortization | | | | |
| Beginning of Year | \$ 67 | \$ 20 | \$ 87 | \$ 73 |
| Amortization Expense | 27 | - | 27 | 27 |
| Effect of Disposal | - | - | - | (13) |
| | <u>\$ 94</u> | <u>\$ 20</u> | <u>\$ 114</u> | <u>\$ 87</u> |
| Net Book Value at March 31, 2009 | <u>\$ 174</u> | <u>\$ -</u> | <u>\$ 174</u> | |
| Net Book Value at March 31, 2008 | | | | <u>\$ 201</u> |

Note 7 Artworks and Collections

The Alberta Foundation for the Arts actively collects visual artworks, which document the Province's significant visual artistic achievement. The collection is accessible to the public and consists of paintings, sculptures, drawings, photographs, ceramics, glass, fibre and prints. At year end, the collection consisted of approximately 7,835 (2008 – 7,641) artworks with an approximate value of \$10,496,850 (2008 – \$9,506,000). During the year, the foundation purchased 190 (2008 – 116) artworks by Alberta artists at a total cost of \$716,550 (2008 – \$402,750). Contributions to the collection included 4 (2008 – 15) artworks with an appraised value of \$274,300 (2008 – \$13,240). There were no artwork dispositions during the year (2008 – Nil). The collection is insured.

**Notes to the Financial Statements
For the Year ended March 31, 2009**

Note 8 General Reserve (thousands of dollars)

The general reserve in the amount of \$467 has been established by appropriation from the operating fund balance for the purpose of retaining an ongoing funding capability. Transfers from the reserve to the operating fund require board approval.

Interest earned on the cash appropriated for the reserve is reported as operating revenue.

Note 9 Contractual Obligations (thousands of dollars)

| | <u>2009</u> | <u>2008</u> |
|-------------------|-----------------|-----------------|
| Grant Agreements | \$ 2,350 | \$ 6,300 |
| Service Contracts | <u>1,025</u> | <u>823</u> |
| | <u>\$ 3,375</u> | <u>\$ 7,123</u> |

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

| | <u>Grant Agreements</u> | <u>Service Contracts</u> | <u>Total</u> |
|------|-----------------------------|------------------------------|-----------------|
| 2010 | \$ 2,350 | \$ 838 | \$ 3,188 |
| 2011 | <u>-</u> | <u>187</u> | <u>187</u> |
| | <u>\$ 2,350</u> | <u>\$ 1,025</u> | <u>\$ 3,375</u> |

**Notes to the Financial Statements
For the Year ended March 31, 2009**

Note 10 Honoraria (thousands of dollars)

| | 2009 | | | 2008 |
|----------------------|--------------------------|--|--------------|--------------|
| | Honoraria ^(a) | Benefits and Allowances ^(b) | Total | Total |
| Board ^(c) | | | | |
| Chair | \$ 2 | \$ - | \$ 2 | \$ 3 |
| Other Members (10) | 26 | - | 26 | 26 |
| | <u>\$ 28</u> | <u>\$ -</u> | <u>\$ 28</u> | <u>\$ 29</u> |

^(a) The foundation has no employees. Staff of the department of Culture and Community Spirit administers the foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 03/2004, is included in the financial statements of the department of Culture and Community Spirit.

^(b) No benefits were provided to board members.

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

Note 11 Comparative Figures

Certain 2008 figures have been reclassified to conform to the 2009 presentation.

Note 12 Approval of Financial Statements

The financial statements were approved by the board of directors.

Schedule 1

**Expenses – Directly Incurred Detailed by Object
For the Year ended March 31, 2009
(thousands of dollars)**

| | 2009 | | 2008 |
|--|------------------|------------------|-----------------------------|
| | Budget | Actual | Actual Restated (Note 3) |
| Grants | \$ 32,118 | \$ 31,193 | \$ 23,642 |
| Supplies and Services | 1,405 | 1,806 | 1,296 |
| Supplies and Services from Support Service Arrangements with Related Parties ^(a) | 1,600 | 1,725 | 1,078 |
| Acquisition of Artworks | 400 | 716 | 403 |
| Donations of Artworks | 125 | 274 | 13 |
| Honoraria (Note 10) | 46 | 28 | 29 |
| Amortization of Tangible Capital Assets | 27 | 27 | 27 |
| | <u>\$ 35,721</u> | <u>\$ 35,769</u> | <u>\$ 26,488</u> |

^(a) The foundation receives financial and program related administrative services from the department of Culture and Community Spirit.

**Related Party Transactions
For the Year ended March 31, 2009
(thousands of dollars)**

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

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

The foundation had the following transactions with related parties recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties.

| | Entities in the Ministry | | Other Entities | |
|--|--------------------------|------------------------------|----------------|-------|
| | 2009 | 2008 Restated (Note 3) | 2009 | 2008 |
| Revenues | | | | |
| Transfers from the Department of Culture and Community Spirit | \$ 34,984 | \$ 25,929 | \$ - | \$ - |
| Expenses – Directly Incurred | | | | |
| Grants | \$ - | \$ 148 | \$ 150 | \$ - |
| Other Services | - | - | 11 | 11 |
| | \$ - | \$ 148 | \$ 161 | \$ 11 |
| Accounts Receivable | \$ - | \$ - | \$ - | \$ 50 |
| Accounts Payable | \$ 10 | \$ 19 | \$ - | \$ - |

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

Schedule 2 (continued)

**Related Party Transactions
For the Year ended March 31, 2009
(thousands of dollars)**

The foundation also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 3.

| | Entities in the Ministry | | Other Entities | |
|-------------------------------|--------------------------|---------------|----------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| Expenses – Incurred by Others | | | | |
| Accommodation Costs | \$ - | \$ - | \$ 459 | \$ 464 |
| Other Services | 255 | 341 | - | - |
| Legal Services | - | - | 4 | - |
| Internal Audit Services | - | - | 11 | - |
| | <u>\$ 255</u> | <u>\$ 341</u> | <u>\$ 474</u> | <u>\$ 464</u> |

Schedule 3

**Allocated Costs
For the Year ended March 31, 2009
(thousands of dollars)**

| Program | 2009 | | | | | 2008 | |
|---------------------------------|-------------------------------|---------------------------------------|----------------------------------|----------------------------------|---|----------------------|-------------------|
| | Expenses – Incurred by Others | | | | | Restated (Note 3) | |
| | Expenses ^(a) | Accommodation Costs ^(b) | Other Services ^(c) | Legal Services ^(d) | Internal Audit Services ^(e) | Total Expenses | Total Expenses |
| Arts Creation and Production | \$ 12,859 | \$ 14 | \$ 72 | \$ 1 | \$ - | \$ 12,946 | \$ 9,520 |
| Arts Promotion | 11,296 | 14 | 48 | 1 | 11 | 11,370 | 8,616 |
| Arts Participation | 6,827 | 13 | 47 | 1 | - | 6,888 | 5,221 |
| Art Collection and Display | 4,421 | 409 | 37 | 1 | - | 4,868 | 3,505 |
| Administration | 366 | 9 | 51 | - | - | 426 | 431 |
| | <u>\$ 35,769</u> | <u>\$ 459</u> | <u>\$ 255</u> | <u>\$ 4</u> | <u>\$ 11</u> | <u>\$ 36,498</u> | <u>\$ 27,293</u> |

^(a) Expenses—Directly Incurred as per Statement of Operations.

^(b) The Department of Infrastructure provided accommodations. Costs shown for accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.

^(c) The Department of Culture and Community Spirit provided financial and administrative services. Costs shown for other services on Schedule 2, allocated by estimated costs incurred by each program.

^(d) The Department of Justice and Attorney General provided legal services. Costs shown for legal services on Schedule 2, allocated by estimated costs incurred by each program.

^(e) The Department of Executive Council provides internal audit services. Costs shown for internal audit services on Schedule 2, allocated by estimated costs incurred by each program.