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Sessional Paper 540/2001
1 Session, 25 Legislature



A N N U A L
R E P O R T
C O M M U N I T Y
D E V E L O P M E N T

FOR THE FISCAL YEAR ENDED

MARCH 31, 2001



Message from the Ministers

We are pleased to present to Albertans the 2000-2001 annual report for the Ministry of Community Development. The ministry's success in enhancing the quality of life in Alberta's strong and diverse communities lies in its focus on productive partnerships, an energetic and growing volunteer base, and support of community-based organizations funded through the ministry's foundations.

Community Development continued its commitment to assist Albertans' participation in arts and culture. The Alberta Foundation for the Arts introduced a new grant program structure in September 2000. The new structure provide a broader range of arts support in ways that encourage greater community support and increase the stability of Alberta's arts and culture sector.

By March 31, 2001, there were 264 public libraries connected to the Internet through the Alberta Public Library Electronic Network. A partnership with Industry Canada's Community Access Program and other organizations, the network provides a wide range of new on-line services to Albertans through public and post-secondary libraries.

Support was given to the Alberta's Future Leaders Program that uses recreation as a vehicle to develop positive leadership skills for youth-at-risk; more than 20,000 Alberta youth participated in 2000-2001. The program is a partnership of 21 Aboriginal communities, the Alberta Sport, Recreation, Parks and Wildlife Foundation, government departments and corporate sponsors.

Community Development provided financial and consulting assistance to many provincial, national and world sporting events in 2000-2001, including the 8th IAAF World Championships in Athletics in August 2001.

The International Year of Volunteers was designated by the United Nations to recognize the importance of volunteer service. The Alberta celebration, with the theme *A Year for Everyone*, began with a December 2000 launch and continued with events held across the province.

Approximately \$4.2 million in grants were provided to volunteer-driven, non-profit organizations through the Quarterly Grants Program of the Wild Rose Foundation.

The Government-Wide Study on the Impact of the Aging Population released its report, *ALBERTA FOR ALL AGES: Directions for the Future*, in June 2000.

In July 2000, the *Family and Special Purpose Housing Policy Framework* was approved. It describes the necessary continuum of housing from homelessness to supportive housing, social housing and affordable

housing. In 2000-2001, the Alberta Government committed \$3 million per year to an initiative to address homelessness, a partnership project of federal, provincial and municipal governments. One-time capital funding of \$10 million was spent on the Seniors Supportive Housing Incentive Program to support the construction of 617 additional supportive housing units for low to middle income seniors, and the upgrading of others.

The ministry released the report, *Promoting Equity and Fairness for All Albertans*, in October 2000. This report, developed after province-wide consultation, identified needs and issues related to diversity and contained an action plan for equity. The Human Rights, Citizenship and Multiculturalism Education Fund provided \$1.2 million for educational programs or services supporting equality.

Culture and heritage were celebrated with the launch of the Alberta 2005 Centennial program in September 2000. The centennial program disbursed \$50 million for community-based projects and government-owned facilities, ranging from museums to arts centres.

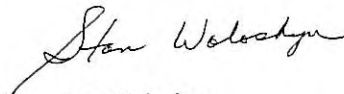
The Provincial Museum of Alberta broke previous attendance records with its award-winning *Anno-Domini: Jesus Through the Centuries* exhibition. Community Development also played a key role in the work leading to the *First Nations Sacred Ceremonial Objects Repatriation Act*, passed in 2000.

The Royal Tyrrell Museum of Palaeontology made progress in uncovering and preserving the province's natural history during the past year, including several significant discoveries, the opening of the Shell Discovery Centre and a new partnership project to explore marine fauna in the Fort McMurray oil sands.

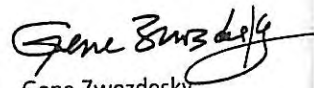
The ministry received three Premier's Awards of Excellence. The Alberta Seniors Service Centre won the only gold award, a silver went to the Provincial Museum for the exhibit *Rise of the Black Dragon*, and a bronze to the Royal Tyrrell Museum for the redevelopment of the Pleistocene Gallery. International recognition came to Royal Tyrrell Museum researcher, Dr. Elizabeth Nicholls, who won the prestigious Rolex Award for Enterprise.

We are proud of the achievements of this ministry during the past year and look forward to the challenges and opportunities in the year ahead. Innovative thinking and creative implementation are vital to the ministry's forward progress. We are pleased to have played our part in the Government of Alberta's recent gold medal award for Innovative Management from the Institute of Public Administration in Canada.

We thank our staff, agencies, foundations, partners and government colleagues who contributed to the ministry's achievements in 2000-2001.



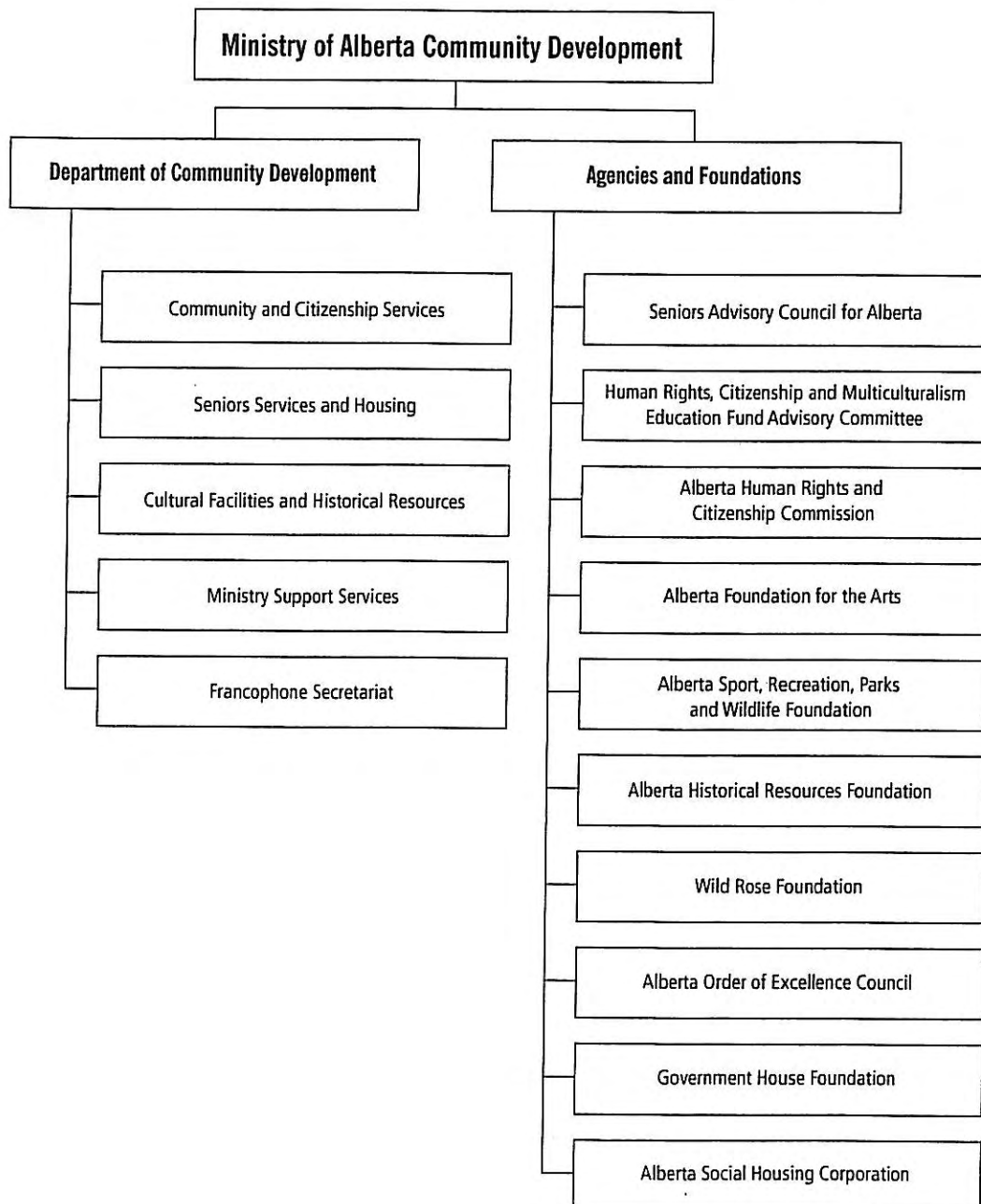
Stan Woloshyn
Minister
Seniors



Gene Zwozdesky
Minister
Community Development

OVERVIEW

Ministry Entities



OPERATIONAL OVERVIEW

Alberta Community Development

plays an important role in building a strong province through the support of community goals. The ministry aspires for a high quality of life for all Albertans and focuses on the means for all citizens and places/communities to have a fair opportunity for achieving growth and prosperity. The mission of the ministry is "to support community development, and through leadership, protection and partnership, help all Albertans participate fully in the social, cultural and economic life of the province."

OVERVIEW

This mission guides the ministry activities in its five core business areas:

1. promoting community development;
2. supporting the independence and well-being of seniors;
3. protecting human rights and promoting fairness and access;
4. preserving, protecting and presenting Alberta's unique natural, cultural and historical resources; and
5. supporting Alberta's special purpose housing needs.

The ministry consists of the department and 10 agencies and foundations. The following description of the ministry's structure provides an overall picture of the range of products and services available to Albertans.

Department

1. Community and Citizenship Services

The Community and Citizenship Services Division helps Alberta communities with their development activities, supports recreation and cultural participation, and promotes equality. The Arts Development Branch supports and promotes participation in arts and culture for all Albertans, and provides film classification services. The Sport and Recreation Branch supports participation in sport and recreation in the province that leads to wellness, and supports the provincial sport system. The Strategic Information and Libraries Branch supports the province-wide public library and information network through the *Libraries Act* and the provision of operating grants, consultation services and strategic information. The Volunteer Services Branch provides support to Alberta's volunteer sector, and field facilitation services and access to seniors,

5. Francophone Secretariat

The Francophone Secretariat serves as a liaison between the government and the Francophone community. It also facilitates access to various government departments and programs for Francophone groups and organizations involved in community development. The Secretariat also represents the province and the Francophone community at federal/provincial/territorial meetings on Francophone affairs.

Agencies and Foundations

1. Seniors Advisory Council for Alberta

The Seniors Advisory Council for Alberta brings the views of seniors to the attention of government. The council makes recommendations to the government on the coordination of policies and programs relating to seniors. The council also responds to government reports and specific requests for advice, and is responsible for coordinating the annual Seniors Week celebrations.

2. Human Rights, Citizenship and Multiculturalism Education Fund Advisory Committee

The advisory committee oversees and makes recommendations, to the Minister of Community Development, on the use of the Human Rights, Citizenship and Multiculturalism Education Fund. The fund provides financial support for educational initiatives in all aspects of human rights, citizenship and multiculturalism.

3. Alberta Human Rights and Citizenship Commission

The Human Rights and Citizenship Commission is an independent agency of the Government of Alberta reporting through the Minister of Community Development. The commission resolves human rights complaints in keeping with the provisions of the *Human Rights, Citizenship and Multiculturalism Act*. It also provides information and education about human rights in Alberta.

4. Alberta Foundation for the Arts

The Alberta Foundation for the Arts encourages and supports artist development and public access to the arts throughout Alberta by recommending, to the Minister of Community Development, grant assistance to individuals and arts organizations that assist Albertan artists in their development and that provide opportunities for public participation in the arts.

RESULTS ANALYSIS

Goals, Performance Measures and Results

Within each of its core businesses, the *Alberta Community Development 2000-2001 to 2002-2003 Business Plan* includes a goal, strategies and key performance measures meant to indicate the ministry's success in achieving its desired outcomes.

This section of the annual report outlines the goals the ministry intended to achieve and what actions were taken toward those goals. It outlines what measures were used to assess the ministry's performance, why those measures were selected, and provides a synopsis of methods used. The results obtained for those key performance measures are presented, along with an explanation of the factors affecting performance. In some areas, other relevant performance information is also included.

The ministry's performance measures are not intended to capture the full extent of the ministry's activities. The impact of the broad range of services provided for Albertans by the ministry can be best understood by looking at services and assessing whether they have been successful in reaching the desired outcomes. The ministry continues to assess these impacts and to refine the objectives for its products and services and the performance measures used to gauge its success.

GOAL 1

To work in partnership with geographic communities and communities of interest to build and maintain a high quality of life in Alberta.

Promoting development of Alberta's communities and increasing the capacity for self-reliance of community organizations are key goals of the ministry. The ministry provides on-site community development assistance through its regional office system. It supports Alberta's quality of life through technical and financial assistance to the arts, recreation and sport, library and volunteer sectors. The ministry achieved these goals by:

- helping communities to help themselves through the provision of organizational assistance and facilitation services;
- increasing community self-reliance and self-sufficiency through financial support and consultative services aimed toward the development of local resources and effective use of volunteers;
- supporting the development of arts and culture as fundamental assets of Alberta's quality of life by providing financial assistance and consultative services;
- coordinating and supporting a province-wide library system with financial assistance and consultative services;
- assisting Albertans in making informed choices through the classification of films;
- encouraging, through financial support and education programs, participation in healthy physical activity and recreation that leads to wellness; and,
- contributing to the athletic achievement of Albertans through financial and consultative support to the provincial sport system.

The ministry was most visible through the implementation of strategies that strengthen communities and support province-wide community service initiatives, such as implementation of International Year of Volunteers initiatives to strengthen volunteer service; broader community access to provincial library resources with the expansion of the Alberta Public Library Electronic Network to 264 public libraries; and cross ministry initiatives related to children, youth and Aboriginal communities. In addition, the ministry continued to support approximately 100 sport and recreation associations and 14 active living organizations that provided Albertans opportunities to be physically fit and active.

Strategy:

Continue to enhance Alberta's quality of life by supporting broad participation opportunities in the arts, libraries, sport and recreation.

The ministry supports the arts through the Alberta Foundation for the Arts and encourages opportunities that Albertans can enjoy. In 1999-2000, the foundation provided funding to 590 arts organizations in support of approximately 9,430 arts events and 3,250 art exhibitions. This information is compiled in 2000-2001 and is based on reports submitted from arts organizations that received grants in 1999-2000. Total attendance at these events and exhibitions exceeded 12 million. More than 60,000 volunteers contributed over 2.8 million hours to organizations funded by the foundation.

In 2000-2001, the Alberta Foundation for the Arts supported artist activity in Alberta schools in two ways: 79 schools received support for artist residencies through the Artist in Schools Residency program; and 37 performing arts applicants received Educational Touring grants for 1,980 performances. These programs enhance students' creativity by exposing them to Alberta artists and the creative process of their work.

The ministry supports libraries through its Strategic Information and Libraries Branch. In 2000-2001, \$14 million in grants were given to 243 public library boards for the operation of 305 libraries. The ministry enhances Alberta's quality of life by maintaining a legislative structure that establishes and guides the operation of public library services throughout the province. The ministry worked with public libraries to develop and implement policies (particularly on Internet use and financial matters), to establish goals and develop service plans, and to promote library system membership.

Capital funding was given to the Northern Lights Library and Chinook Arch Library systems. Library system boards are created under provincial legislation and are not eligible for other government capital funding programs. One-time funding was given to six library systems for expansion into new municipalities.

Ministry staff worked with the Alberta Library Trustees Association to produce a training video for library trustees on their roles and responsibilities under the *Libraries Act*. The video was distributed to all libraries in the province. The ministry also initiated on-line communication with public library boards by using the Alberta Public Library Electronic Network infrastructure for on-line distribution of 2001 grant applications and annual surveys to eligible library boards. Staff also commenced work on developing a Web site to provide information on Alberta's public library structure to members of the library community and the public.

The ministry supported approximately 100 sport and recreation associations and 14 active living organizations, providing Albertans with opportunities to be involved in physical activity programs and services. Through the Alberta's Future Leaders Program, the ministry supports the needs of Aboriginal children, youth and families in Alberta by using recreation activities to develop positive leadership skills in youth-at-risk.

Strategy:

Continue to assist communities and government ministries and agencies in public consultation and facilitation.

The program involved 21 Aboriginal communities and was made possible through the joint collaboration of these communities, the ministry, other levels of government and private sector sponsors.

As in past years, the ministry's professional facilitation staff supported many province-wide forums, public consultations and events, including Charities Round Table, Campus Alberta Symposium, Alberta Health and Wellness – Bill 11, Provincial Think Tank for Family Literacy, Sexual Assault and Domestic Violence Workshop, and the Alberta Learning Post Secondary Funding Review.

The ministry's Sport Services section staff helped facilitate the Prairie Regional Forum held in Regina, Saskatchewan. The forum was one of several held across Canada and will culminate with the National Summit on Sport and the development of a National Sport Plan. The section staff also held a public consultation in Edmonton, bringing together delegates from across the province to develop a new plan for sport in Alberta.

Strategy:

Continue to provide consultative support to community and provincial organizations to increase their governance, use of resources and financial management capacity in order to build self-reliance.

Through its regional offices, the ministry provided 589 capacity-building services in the form of workshops, consultation and facilitation services to 12,304 Albertans. Some examples of these capacity-building services included assistance to many regional or provincial projects such as a Community Development Conference in Edgerton, Alberta; the development of a business plan for the Active Living Portfolio and the Calgary Regional Planning Committee; public input for the Communitas Group; strategic planning for the Agriculture and Food Council of Alberta and the Camrose Social Planning Committee; and facilitation of board retreats for the Medicine Hat Public Schools Education Foundation, Edmonton Charter on Homelessness and Brazeau Seniors Foundation.

The ministry fostered partnerships between corporate, volunteer and government sectors through the Vitalize 2000 conference held in June. The conference promoted volunteer development to thousands of organizations and provided a forum for non-profit, private and public sectors to exchange information and ideas, develop skills, and network.

A Facilitation Skills Development Program was designed to support community leaders and volunteers in efforts to build capacity and achieve the goals of their community or organization. Ministry staff also developed and delivered a Provincial Youth Facilitation Training Event and created a Provincial Youth Facilitation Team to deliver Make Contact workshops (peer facilitated youth development). The workshops provided leadership training opportunities for youth who want to enhance their personal and group leadership skills.

The Alberta Foundation for the Arts continued its involvement in the Alberta Performing Arts Stabilization Fund through discussions to determine a legacy that will ensure the fund's successes in helping Alberta's major and smaller performing arts organizations toward financial and management stability are sustained into the future.

The ministry provided consulting services to approximately 100 provincial sport and recreation organizations and 14 active living organizations, with the goal of increasing financial and management capacities within the organizations, in order to provide quality programs and services to Albertans. Ministry staff also advised the Regional Municipality of Wood Buffalo on governance and financial management related to its hosting of the 2004 Arctic Winter Games.

Strategy:

Continue to foster volunteer development in the province through consultative services and support to the Board Development Program.

In collaboration with Volunteer Alberta, the ministry promoted April 22 to 28, 2000, as Volunteer Week. Funding of \$26,300 was approved and distributed to volunteer non-profit organizations in 111 communities to help them host and celebrate Volunteer Week activities. In partnership with community agencies in St. Albert, Wetaskiwin, Red Deer, Medicine Hat and Calgary, the Volunteer Initiatives Unit coordinated a series of workshops focused on volunteer sector issues. Approximately 500 volunteers learned new screening and risk management skills.

Ministry staff supported the delivery of 69 workshops to not-for-profit boards, with approximately 830 board members attending the workshops offered through the Board Development Program. Board governance training was also provided to 17 new volunteer instructors of the program; this brings the total number of volunteer instructors to 64.

The ministry successfully hosted the 12th annual Vitalize provincial conference for volunteers in June 2000. The conference, held in Calgary, offered more than 70 volunteer development education sessions to 1,407 delegates from across the province. In addition, 54 participants attended the ministry's first "Leaders Dialogue Day" held on June 1, 2000, in conjunction with Vitalize 2000. Six Albertans received the Stars of the Millennium Award for outstanding volunteer achievements in their communities.

Strategy:

Design a provincial strategy, with input from public forums, to coordinate the Alberta focus for the International Year of Volunteers in 2001.

The ministry developed a provincial strategy for the International Year of Volunteers. Communities across the province, including Stony Plain, Camrose, Grande Prairie, Fort McMurray, Red Deer and Lethbridge, helped launch the program with special events on December 5, 2000. A provincial launch was held the same day at the Jubilee Auditorium in Edmonton. The Alberta theme for this international year is *A Year For Everyone*. Activities throughout the year will result in a stronger, more professionally developed and technically advanced volunteer sector in Alberta.

Strategy:

Continue financial support to community organizations and non-profit agencies through the ministry's lottery-funded foundations.

Three ministry lottery-funded foundations associated with this core business support community organizations and non-profit agencies. They are the Alberta Foundation for the Arts; the Alberta Sport, Recreation, Parks and Wildlife Foundation; and the Wild Rose Foundation. In 2000-2001, the Alberta Foundation for the Arts provided approximately \$15.4 million in grants to 419 individual artists and 680 organizations, including such groups as arts organizations, schools and municipalities. The Alberta Film Development Program, which is administered by the Alberta Foundation for the Arts, provided approximately \$5.7 million in funding to 38 applicants, whose film productions totalled \$68.4 million, of which \$39 million was spent in Alberta.

Strategy:

Coordinate provincial assistance to the 2001 World Championships in Athletics to be held in Edmonton.

The ministry provided a \$10 million grant of a \$40 million commitment to the local organizing committee for the 2001 World Championships in Athletics. The funds will be used for operating expenses and capital projects, including renovations to existing facilities. Ministry staff also helped develop a multi-party funding agreement for the championships between the Government of Canada, the City of Edmonton, the province and the local organizing committee.

Strategy:

Host a major sport and recreation symposium in 2000 and a coaching symposium in 2001.

A Sport and Recreation Symposium, held in Red Deer, attracted 136 Albertans. It was held in conjunction with the official opening of the Alberta Sports Hall of Fame and Museum, May 25-27, 2000. The symposium provided educational sessions and networking opportunities for staff and volunteers from provincial sport and recreation associations. The information provided by the participants will assist these associations in providing effective sport and recreation services to the many Albertans who participate in their programs. The ministry commenced work on a Coaches and Officials Symposium to be held in Edmonton, October 18-20, 2001.

Strategy:

Finalize an Alberta Sport, Recreation, Parks and Wildlife Foundation strategy to address regional and provincial sport and recreation needs.

In 2000-2001, the ministry set up a task force and an advisory committee to develop a new plan for sport in Alberta. The task force and advisory committee reviewed draft plans, and stakeholders were invited to provide input. The final draft will be presented to the Minister for review in 2001.

Strategy:

Evaluate the new film development grant program in support of Alberta film artists, producers and technicians.

In 2000-2001, the Alberta Film Development Program completed its second year of operation. During the first two years of the program, film production grew rapidly in Alberta, as more Alberta film companies were able to expand their production schedules with the additional assistance that was initially provided. A report is currently being developed to ascertain the impact of the program and to clarify guidelines and grant regulations. The review will also investigate the various needs of the Alberta-based film community and the out-of-province companies who wish to work in Alberta.

Strategy:

Continue the development of the Alberta Public Library Electronic Network, in partnership with The Alberta Library, Alberta Learning, Industry Canada and the library community, and in harmony with the cross ministry Economic Development Strategy initiative.

The ministry worked with The Alberta Library and the Alberta Public Library Electronic Network (APLEN) Steering Committee and project staff to establish the APLEN operating structure. By March 31, 2001, there were 264 public libraries connected to APLEN. The ministry worked with the library community to develop a proposal for ongoing funding for APLEN, ensuring that public libraries can provide networked service in the future.

The ministry also worked with the library community to link the public library network with other libraries and information providers, including the provincial government. Initiatives are underway with The Alberta Library to make library resources available through a new network of public libraries and college/university libraries, supported by Alberta Learning, Community Development, Industry Canada and the cross ministry Economic Development Strategy. In conjunction with The Alberta Library, the ministry sponsored a project to study electronic performance measures to evaluate new services provided through APLEN.

In 2000-2001, 53.8 per cent of Albertans reported using a public library. This is an increase of 0.6 per cent over results from the previous two years. The target for 2000-2001 was 60 per cent.

Many factors can influence achievement of results from year to year. Library card fees, which are permitted by provincial legislation, may be a possible deterrent to public library usage. Also, the public's increasing use of electronic sources of information, such as the Internet, may have an impact on the public's perception of their need for, and use of, public library services. With the introduction of a free public library Internet service in 1998, it is possible that more people are learning about this service. This additional service may influence a person's decision to become a public library member.

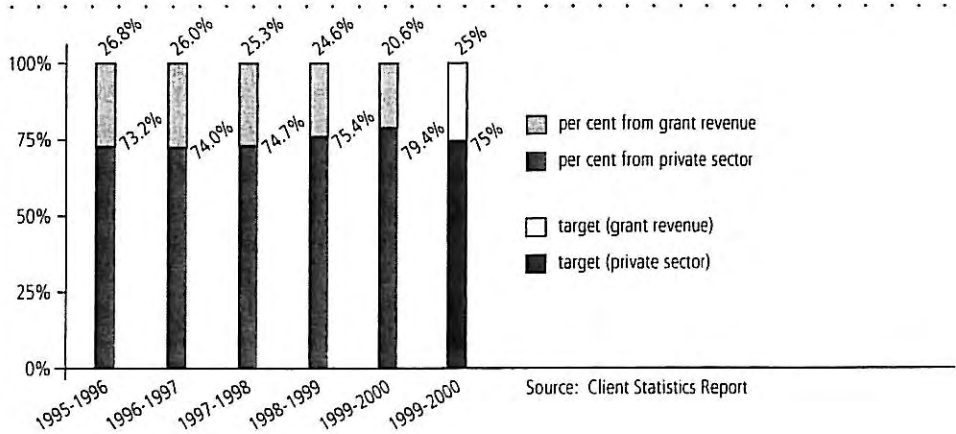
MEASURE: Impact of support to arts and cultural industries

This measure has three indicators: the percentage of funding to arts and cultural groups provided by the private sector; the economic impact of the arts and cultural industries; and the cultural and economic impact of the Alberta Film Development Program.

Percentage of funding to arts and cultural groups provided by the private sector

Support from the private sector is shown below as a percentage of total revenue for arts and cultural groups. The source of data is the Client Statistics Report; data are required from all clients excluding educational institutions/schools and individuals who received study grants. Clients included commercial and non-profit organizations as well as individual artists.

Percentage of private sector funding provided to arts and cultural groups



During 1999-2000, arts organizations were able to raise approximately 79.4 per cent of their revenues from the private sector, up four per cent from 1998-1999. This result is based on the Client Statistics Report survey response rate of 91.9 per cent. The Client Statistics Report collects data

on an organization's previous fiscal year and consequently reporting is delayed by a year. The ministry target was for arts and cultural groups to receive 75 per cent of their funding from the private sector. The remaining 25 per cent of funding is provided in grants from the Alberta Foundation for the Arts, and federal, municipal and other provincial government grants.

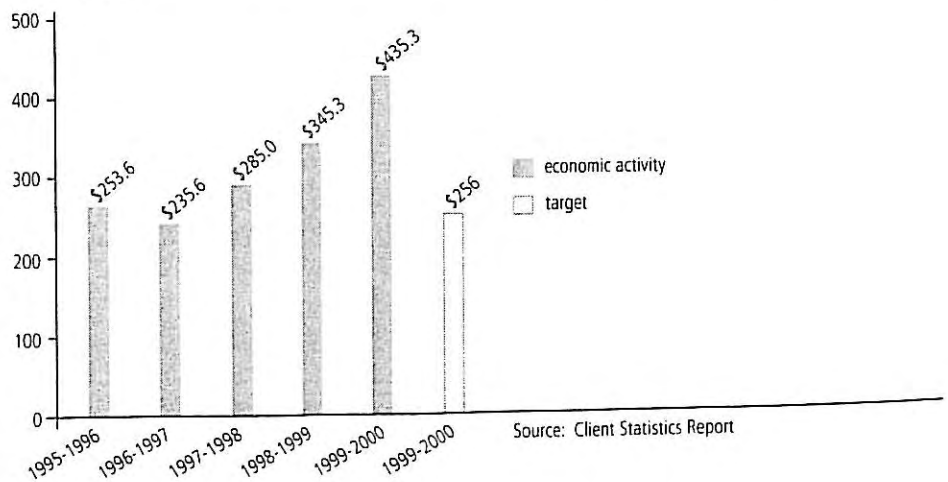
An influence on the achievement of desired results is the economic health of the private sector. If the economy is depressed, arts support from the private sector may decrease and public arts attendance and purchases may decrease. The reverse is true if the economy gains strength – private sector support generally increases as a result. The original intent of the Client Statistics Report was to provide information to assist the Alberta Foundation for the Arts board to determine if its funding decisions were made in accordance with guidelines. This indicator has been dropped in the 2001-2004 business plan, though the ministry will continue to collect data.

The economic impact of the arts and cultural industries

Organizations that are recipients of funding from the Alberta Foundation for the Arts report their annual revenues in the Client Statistics Report, providing the ministry with annual data. The Client Statistics Report collects data on an organization's previous fiscal year and consequently reporting is delayed by a year. Using the Client Statistics Report and a computed average of relevant industry standard economic impact multiplier of 1.49857 (figure supplied by Statistics Canada), the ministry is able to calculate estimated economic activity in arts and cultural industries in Alberta, relative to organization funding received from the private sector.

Level of economic activity in the arts and cultural industries

(millions of dollars)



In 1999-2000, the economic impact related to arts and cultural industries was \$435.3 million. This is an increase of \$90 million from the economic impact reported in the previous annual report. The ministry target was \$256 million.

There are numerous influences on the achievement of desired results, including fluctuations in corporate support, economic conditions, numbers of Albertans patronizing arts events, and changes in budgets and government funding for arts and cultural organizations. This indicator was dropped in the 2001-2004 business plan, though the ministry will continue to collect data.

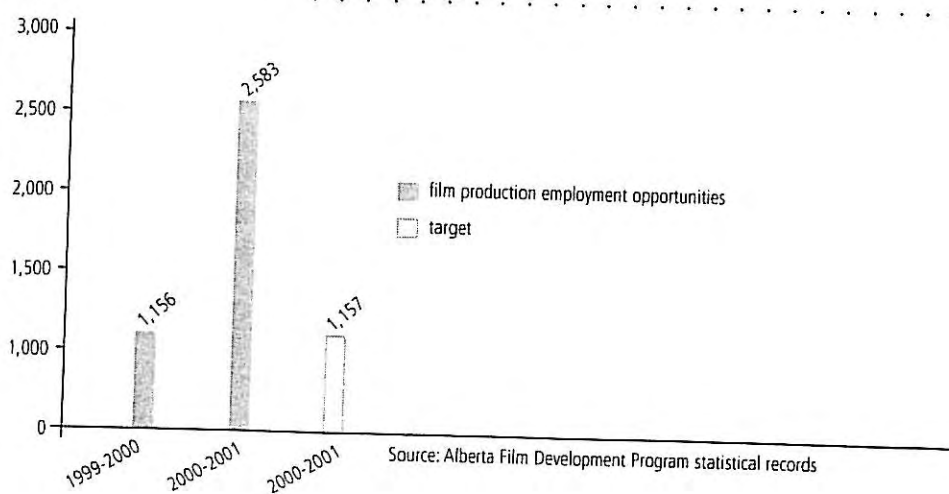
The cultural and economic impact of the Alberta Film Development Program

The Alberta Film Development Program, launched in 1999-2000, provides financial support for film-making in Alberta. The success of this program is measured by three cultural markers: the number of film production opportunities offered to Alberta's actors, musicians, designers, writers, producers and directors; the number of films made each year in the province; and the dollar value of film production by Alberta-owned and -operated production companies in Alberta each year.

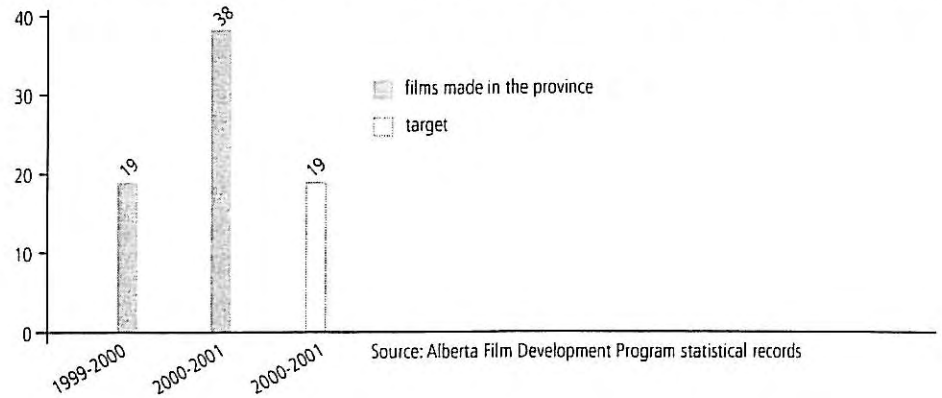
In the 2001-2004 business plan, the measure has been revised and will report specifically on the impact of support provided by the Alberta Film Development Program. The revised measure on film development best serves as a stand-alone measure.

There are three desired outcomes for the Alberta Film Development Program: an increase in Alberta-driven film/video production; an increase in the number of Albertans working in all aspects of film production; and continued increase over the life of the pilot program in the total dollar value of production in Alberta by Alberta-owned and -operated production companies.

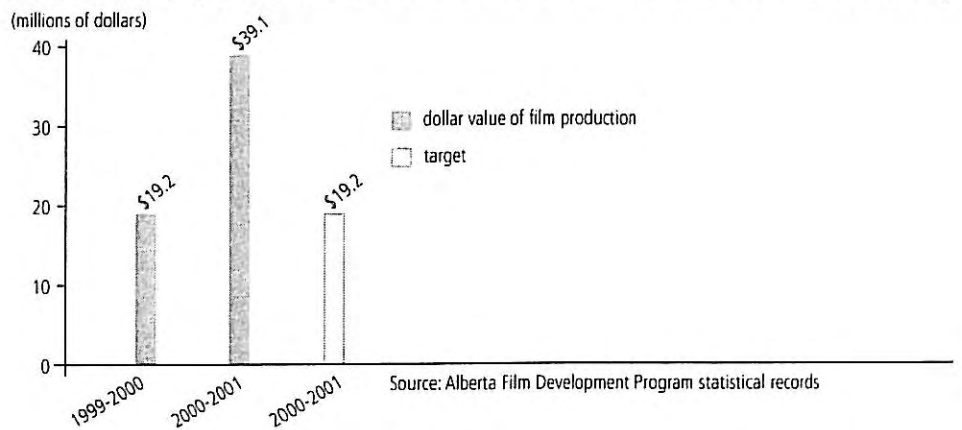
Number of film production employment opportunities



Number of films made in the province



Dollar value of film production by Alberta companies in Alberta



Film production companies eligible for funding under the Alberta Film Development Program submitted film production project reports to the ministry. The 2000-2001 results under the program reported 2,583 film production employment opportunities offered to Alberta's actors, musicians, designers, writers, producers and directors, a 123.4 per cent increase over 1999-2000; 38 films made in the province, double the number of films made last year; and \$68.4 million in total film production expenditures by Alberta-owned and -operated production companies, a 106.1 per cent increase over 1999-2000. Of the total film production expenditures, \$39.1 million remained in Alberta, a 103.5 per cent increase over 1999-2000. Results can be influenced from year to year by access to funding from other levels of government or the private sector and by volume demand that could exceed the budget for the program.

OVERALL RESULTS & FUTURE CHALLENGES

RESULTS ANALYSIS



The ministry was focused throughout 2000-2001 on supporting community development through leadership, protection and partnership, helping all Albertans participate fully in the social, cultural and economic life of the province.

The ministry concentrated on delivering improvements and achieving results in each of the five core businesses: promoting community development; supporting the independence and well-being of seniors; protecting human rights and promoting fairness and access; preserving, protecting and presenting Alberta's unique natural, cultural and historical resources; and supporting Alberta's special purpose housing needs.

Innovative thinking and creative implementation will be important for the ministry to keep moving forward as successfully as it has in 2000-2001. The ministry is pleased to have played a part in the Government of Alberta's recent gold medal for Innovative Management from the Institute of Public Administration in Canada.

Partnerships with communities will continue to be increasingly important. Cross ministry and private partnerships will continue to develop as a major means of delivering efficient and effective programs.

The future will bring many new challenges to the ministry. Staff training and the provision of learning opportunities will continue to be important. The ministry will be required to adapt quickly and to shift expertise to areas where it is needed most. Performance measures will be revised to improve performance monitoring and to focus on assessment of longer-term impacts. New relationships will be established in government and with stakeholders that will facilitate better services for Albertans.

Promoting community development

The desired outcomes for this core business are as varied as the sectors involved in achieving them. There are five distinct disciplines involved in this core business: arts and culture; film classification; libraries; sport and recreation; and volunteer services.

The Alberta Foundation for the Arts announced its new grant program structure in September of 2000, with more equitable support for individuals and arts organizations, regardless of art form, to commence April 1, 2001. Individual artists will be able to choose from a wider range of funding options. Organizations will receive operating grants based on the level of their community-derived support. During 2000-2001, the

Alberta Foundation for the Arts distributed \$15.4 million to individual artists and arts organizations province-wide and distributed approximately \$5.7 million for the Alberta Film Development Program. The foundation continues to be challenged with increasing requests on its budget, as Alberta's arts sector develops in response to public demand and the province's growing economy.

The ministry's Film Classification and Arts Education section again extended program efforts by responding to requests for school presentations and media awareness support for Alberta community groups. In response to requests, educational sessions were provided for film exhibitors and film study materials were made available to theatre managers. In support of the Promoting Health and Wellness government initiative, section staff developed Web resources, created display materials, and delivered workshops related to censorship, media effects and the use of film as a classroom resource. Media awareness work in Alberta resulted in a request for an Alberta presentation at the 2000 European Conference of Film Classifiers, and the ministry participated in the conference in Vienna, Austria, in October, 2000.

Development of the Alberta Public Library Electronic Network continued. The network will add a new dimension to the services provided by public libraries and a new set of relationships between local and system library boards and the ministry. Staff will continue to ensure that Albertans have equitable access to public library service in conjunction with the province's 243 public library system boards. Major initiatives planned for next year include strengthening the services provided through the Alberta Public Library Electronic Network and updating the province-wide library resource-sharing policy. Resources will continue to be provided to assist library systems to extend their services to non-participating municipalities and their libraries, and to assist library boards in the provision of service to their communities.

Volunteers and volunteer contributions are being honoured across the province throughout 2001 as the International Year of Volunteers is celebrated. The ministry developed a provincial strategy for this year, and communities across the province helped launch the program with special events on December 5, 2000. Activities throughout the year will result in a stronger, more professionally developed volunteer sector in the province.

An innovative award program, called Stars of the Millennium, was inaugurated in 2000-2001. Six recipients were recognized for their outstanding volunteer achievements in their respective communities.

In 2000-2001, three new programs were announced to support the volunteer sector in the province. The Volunteer Promotion and Awareness Program is aimed at educating the public about the direct link between volunteerism and quality of life in Alberta. The Partnership Program provides, in a series of three stages, a comprehensive Partnership Kit and



Alberta Foundation for the Arts

Financial Statements

March 31, 2001

ALBERTA FOUNDATION FOR THE ARTS

FINANCIAL STATEMENTS

March 31, 2001

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

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

I have audited the statement of financial position of the Alberta Foundation for the Arts as at March 31, 2001 and the statement of operations and the statement of changes in financial position 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, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Peter Valentini FCA
Auditor General

Edmonton, Alberta
May 24, 2001

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2001

| | 2001 | | 2000 |
|--|-----------------------|---------------------|---------------------|
| | Budget (Note 10) | Actual | Actual |
| Revenues: | | | |
| Internal Government Transfers | | | |
| Contributions from the Lottery Fund | | | |
| - Operating | \$ 16,104,000 | \$ 16,104,000 | \$ 16,104,000 |
| - Film development program | 5,000,000 | 5,000,000 | 5,000,000 |
| Other Revenue | | | |
| Interest | 375,000 | 397,321 | 369,692 |
| Miscellaneous | 30,000 | 51,406 | 134,235 |
| Donations of artworks | - | 68,250 | 94,495 |
| | <u>21,509,000</u> | <u>21,620,977</u> | <u>21,702,422</u> |
| Expenses - Directly Incurred (Note 2b and Schedule 1 and 3) | | | |
| Public access program | 10,505,000 | 10,515,075 | 10,551,891 |
| Artist development program | 5,597,000 | 5,565,564 | 5,631,793 |
| Alberta Library network | - | - | 2,400,000 |
| Administration | 210,000 | 199,659 | 191,769 |
| | <u>16,312,000</u> | <u>16,280,298</u> | <u>18,775,453</u> |
| Film development program (Note 12) | 6,200,000 | 5,886,209 | 2,875,825 |
| | <u>22,512,000</u> | <u>22,166,507</u> | <u>21,651,278</u> |
| Net operating results | (1,003,000) | (545,530) | 51,144 |
| Transfer from general reserve (Note 8) | - | - | 1,200,000 |
| Change in fund balance during the year | <u>\$ (1,003,000)</u> | (545,530) | 1,251,144 |
| Fund balance at beginning of year | | <u>1,993,939</u> | <u>742,795</u> |
| Fund balance at end of year | | <u>\$ 1,448,409</u> | <u>\$ 1,993,939</u> |

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

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2001

| <u>ASSETS</u> | <u>2001</u> | <u>2000</u> |
|---|---------------------|---------------------|
| Cash and short-term investments (Note 3) | \$ 2,551,055 | \$ 3,940,337 |
| Accrued interest | 15,207 | 46,271 |
| Accounts receivable and prepaid expenses (Note 4) | 1,392 | 2,106 |
| | <u>2,567,654</u> | <u>3,988,714</u> |
| Long-term investments (Note 5) | 466,746 | 466,746 |
| Capital assets (Note 6) | 55,683 | 977 |
| | <u>\$ 3,090,083</u> | <u>\$ 4,456,437</u> |
| <u>LIABILITIES AND EQUITY</u> | | |
| Accounts payable and accrued liabilities | \$ 1,174,928 | \$ 1,995,752 |
| Equity: | | |
| Fund balance | 1,448,409 | 1,993,939 |
| General reserve (Note 8) | 466,746 | 466,746 |
| | <u>1,915,155</u> | <u>2,460,685</u> |
| | <u>\$ 3,090,083</u> | <u>\$ 4,456,437</u> |

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

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2001

| | <u>2001</u> | <u>2000</u> |
|--|---------------------|---------------------|
| Operating transactions: | | |
| Net operating results | \$ (545,530) | \$ 51,144 |
| Non-cash items: | | |
| Write-off of capital assets | - | 8,625 |
| Amortization of capital assets | <u>977</u> | <u>5,610</u> |
| | (544,553) | 65,379 |
| Decrease in accrued interest | 31,064 | 52,246 |
| Decrease in accounts receivable and prepaid expenses | 714 | 1,597 |
| (Decrease) increase in accounts payable and accruals | <u>(820,824)</u> | <u>1,451,553</u> |
| Cash provided by operating transactions | <u>(1,333,599)</u> | <u>1,570,775</u> |
| Investing transactions: | | |
| Purchases of Capital Assets | (55,683) | - |
| Decrease in long term investments | <u>-</u> | <u>1,200,000</u> |
| Cash provided by investing transactions | <u>(55,683)</u> | <u>1,200,000</u> |
| Increase in cash and short-term investments | (1,389,282) | 2,770,775 |
| Cash and short-term investments at beginning of year | <u>3,940,337</u> | <u>1,169,562</u> |
| Cash and short-term investments at end of year | <u>\$ 2,551,055</u> | <u>\$ 3,940,337</u> |

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

ALBERTA FOUNDATION FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2001

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-21.5, Statutes of Alberta 1991.

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 the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Alberta Foundation for the Arts, which is part of the Ministry of Community Development and for which the Minister of Community Development 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.

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

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

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.

Unrestricted donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

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 capital assets.

Incurred by Others

Services contributed by other entities in support of the Foundation are disclosed in schedule 3.

Artworks

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donated artworks are reported as revenue and expenses at appraised values at the date of acquisition.

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.

Note 2 (b) Basis of Financial Reporting (continued)

Assets

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations.

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 capital assets is \$5,000.

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.

Note 3 Cash and Short-Term Investments

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed by Alberta Treasury with the objective of providing competitive interest income to depositors while maintaining maximum 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 five years. Interest is earned on the daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates.

Short-term investments consist of deposits with life insurance companies that mature within one year.

| | 2001 | 2000 |
|---|---------------------|---------------------|
| Cash | \$ 2,717,801 | \$ 3,607,083 |
| Short-term investments | - | 500,000 |
| | <u>2,717,801</u> | <u>4,107,083</u> |
| Less cash and short-term investments appropriated for non-current use | (166,746) | (166,746) |
| | <u>\$ 2,551,055</u> | <u>\$ 3,940,337</u> |

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

Note 4 Accounts Receivable and Prepaid Expenses

| | 2001 | | | 2000 |
|---------------------|-----------------|---------------------------------|----------------------|----------------------|
| | Gross Amount | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Accounts receivable | \$ 8,732 | \$ 7,340 | \$ 1,392 | \$ 1,682 |
| Prepaid expenses | - | - | - | 424 |
| | <u>\$ 8,732</u> | <u>\$ 7,340</u> | <u>\$ 1,392</u> | <u>\$ 2,106</u> |

Accounts receivable are unsecured and non-interest bearing.

Note 5 Long-Term Investments

| | Effective Annual Interest Rate | 2001 | | 2000 | |
|--|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | | Cost | Market | Cost | Market |
| Deposits with life insurance companies, maturing in seven years ^(a) | 5.125% | \$ 300,000 | <u>\$ 300,000</u> | \$ 300,000 | <u>\$ 300,000</u> |
| Cash and short-term investments appropriated for non-current use | | <u>166,746</u> | | <u>166,746</u> | |
| | | <u>\$ 466,746</u> | | <u>\$ 466,746</u> | |

(a) The deposits with life insurance companies can be realized prior to maturity dates only with the payment of penalties.

Note 6 Capital Assets

| | Estimated Useful Life | 2001 | | 2000 | |
|---------------------------------|-----------------------|-------------------|--------------------------|------------------|----------------|
| | | Cost | Accumulated Amortization | Net Book Value | Net Book Value |
| Computer equipment and software | 4 years | \$ 77,977 | \$ 57,977 | \$ 20,000 | \$ 977 |
| Equipment | 10 years | 35,683 | - | 35,683 | - |
| Office furnishings | 7 years | 5,533 | 5,533 | - | - |
| | | <u>\$ 119,193</u> | <u>\$ 63,510</u> | <u>\$ 55,683</u> | <u>\$ 977</u> |

Note 7 Artworks

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 and mixed media. At year end, the collection consisted of approximately 6,500 (2000 – 6300) artworks with an approximate value of \$6,466,500 (2000 \$6,168,470). During the year, the Foundation purchased 171 (2000 – 144) paintings, sketches and sculptures by Alberta artists at a total cost of \$230,029 (2000 \$269,149); contributions to the collection included 37 (2000 – 108) paintings and prints, also by Alberta artists, with an appraised value of \$68,250 (2000 \$94,495). There were no disposals during the year (2000 \$NIL).

Note 8 General Reserve

The general reserve has been established by appropriation from the fund balance. The reserve was established for the purpose of retaining an ongoing funding capability. The reserve was utilized to fund the Alberta Library network. 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.

| | 2001 | 2000 |
|------------------------------|-------------------|-------------------|
| Balance at beginning of year | \$ 466,746 | \$ 1,666,746 |
| Transferred to operations | - | (1,200,000) |
| Balance at end of year | <u>\$ 466,746</u> | <u>\$ 466,746</u> |

Note 9 Commitments

At March 31, 2001, the Foundation had commitments in the amount of \$12,099,163 (2000 \$11,618,185) for grants approved but not expended, pending fulfillment of eligibility conditions.

Note 10 Budget

The budget was approved by the Board of Directors on September 9, 1999.

| | 2000 - 2001 Estimates | Treasury Board Approval (a) | Reported Budget |
|-----------------------|--------------------------|-----------------------------------|--------------------|
| Revenues | \$ 21,509,000 | \$ 100,000 | \$ 21,609,000 |
| Expenses | 22,512,000 | 100,000 | 22,612,000 |
| Net Operating Results | \$ (1,003,000) | \$ - | \$ (1,003,000) |

(a) Treasury Board approved increase in expenses and revenues relating to donations of artworks on January 18, 2001.

Note 11 Honoraria

| | 2001 | | | 2000 |
|------------------------|--------------------------|--|----------|----------|
| | Honoraria ^(a) | Benefits and Allowances ^(b) | Total | Total |
| Board ^(c) : | | | | |
| Chair | \$ 3,403 | \$ - | \$ 3,403 | \$ 3,959 |
| Other Members | 22,545 | - | 22,545 | 17,134 |

- (a) The Foundation has no employees. Staff of the Department of Community Development administers the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.
- (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 12 Alberta Film Development Program

The Alberta Film Development Program (AFDP) was announced by the Minister of Community Development in October 1998. The program has a budget of \$15 million over three years, from 1999 to 2002. The Government of Alberta has announced the extension of the program for another two years beyond its original three-year mandate. The program is specifically designed to support and assist Alberta filmmakers, artists and technicians. It is administered separately from the other programs of the Alberta Foundation for the Arts.

Note 13 Approval of Financial Statements

These financial statements were approved by the Board of Directors.

ALBERTA FOUNDATION FOR THE ARTS
EXPENSES - DIRECTLY INCURRED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2001

| | 2001 | | 2000 |
|---|----------------------|----------------------|----------------------|
| | Budget (Note 10) | Actual | Actual |
| Grants | \$ 21,470,000 | \$ 21,092,522 | \$ 20,407,698 |
| Supplies and services | 400,000 | 437,172 | 442,915 |
| Supplies and services from support service arrangements with related parties (a) | 361,000 | 379,000 | 333,000 |
| Acquisition of artworks | 250,000 | 230,029 | 363,644 |
| Honoraria (Note 11) | 30,000 | 25,948 | 21,093 |
| Other | - | 859 | 77,318 |
| Amortization | 1,000 | 977 | 5,610 |
| | <u>\$ 22,512,000</u> | <u>\$ 22,166,507</u> | <u>\$ 21,651,278</u> |

(a) The Foundation receives financial and administrative services from the Department of Community Development.

ALBERTA FOUNDATION FOR THE ARTS
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2001

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

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

| | Entities in the Ministry | | Other Entities | |
|-------------------------------------|--------------------------|-------------------|----------------------|----------------------|
| | 2001 | 2000 | 2001 | 2000 |
| Revenues: | | | | |
| Contributions from the Lottery Fund | | | | |
| - Operating | \$ - | \$ - | \$ 16,104,000 | \$ 16,104,000 |
| - Film development program | | | 5,000,000 | 5,000,000 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,104,000</u> | <u>\$ 21,104,000</u> |
| Expenses - Directly Incurred | | | | |
| Grants | \$ 92,400 | \$ 125,000 | \$ - | \$ - |
| Other services | | | 18,689 | 26,451 |
| | <u>\$ 92,400</u> | <u>\$ 125,000</u> | <u>\$ 18,689</u> | <u>\$ 26,451</u> |
| Payable to | <u>\$ 92,400</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

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 Statement of Operations.

| | Entities in the Ministry | | Other Entities ⁽²⁾ | |
|-------------------------------|--------------------------|-------------------|-------------------------------|-------------------|
| | 2001 | 2000 | 2001 | 2000 |
| Expenses - Incurred by Others | | | | |
| Accommodation | \$ - | \$ - | \$ 178,618 | \$ 162,807 |
| Legal services | - | - | 117 | - |
| Other services ⁽¹⁾ | 549,748 | 532,004 | - | - |
| | <u>\$ 549,748</u> | <u>\$ 532,004</u> | <u>\$ 178,735</u> | <u>\$ 162,807</u> |

⁽¹⁾ These services were provided by the Department at no cost to the entity.

⁽²⁾ Services provided by other entities are disclosed on schedule 3.

ALBERTA FOUNDATION FOR THE ARTS
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2001

| Program | 2001 | | | 2000 | |
|----------------------------|-------------------------|---------------------------------------|-------------------|----------------------|----------------------|
| | Expenses ⁽¹⁾ | Accommodation Costs ⁽²⁾ | Legal Services | Total Expenses | Total Expenses |
| Public access program | \$ 10,515,075 | \$ 10,456 | \$ - | \$ 10,525,531 | \$ 10,562,566 |
| Artist development program | 5,565,564 | 163,778 | - | 5,729,342 | 5,778,820 |
| Alberta Library network | - | - | - | - | 2,401,193 |
| Film development program | 5,886,209 | 2,847 | - | 5,889,056 | 2,878,543 |
| Administration | 199,659 | 1,537 | 117 | 201,313 | 192,962 |
| | <u>\$ 22,166,507</u> | <u>\$ 178,618</u> | <u>\$ 117</u> | <u>\$ 22,345,242</u> | <u>\$ 21,814,084</u> |

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation on Schedule 2, allocated by square footage.