



## Highlights of Key Activities

- Following client consultations, the AFA introduced its new and revised funding programs, as well as major policy changes, in 2001/02. This review looked at funding equity across arts disciplines within the Foundation's funding structure. A key policy is introduced allows arts organizations and individual artists to receive only one grant per fiscal year from the AFA through both operating and project funding streams. The AFA worked with clients throughout 2001/02 to ensure the transition to the new programs and policies went as smoothly as possible.
- The AFA assumed responsibility for the administration of two key arts scholarships in 2001/02. As part of HRM Queen Elizabeth's Golden Jubilee Anniversary, two new scholarships were introduced by the Government of Alberta. Annually an Albertan student will receive \$5,000 for their continued work in the visual or performing arts.
- In the summer of 2001, four youth Arts Camps Workers visited 14 Aboriginal communities to introduce youth to the arts. The Arts Camps is a partnership with the Alberta Sport, Recreation, Parks and Wildlife Foundation (ASRPWF) and happens as part of the Alberta Future Leaders Program (AFL). This year, camps were held between May 29, 2001 and August 22, 2001.
- Much activity surrounded the AFA provincial art collection in 2001/02. The AFA supported 45 exhibitions that featured 723 artworks from its collection. Two key exhibitions were *Rural Routes* and *The Art of Giving*. A further 43 artworks were donated to the collection and through the Art Placement Program a total of 232 government and not-for-profit offices displayed original Alberta artworks.
- The AFA sponsored the *Young Albertans* portion at the 24<sup>th</sup> *Alberta Showcase* in Oct 2001. Three up-and-coming Alberta performing artists were able to present their talents to delegates at the event.
- Children and youth throughout the province were introduced to Alberta authors through *Chysalis* – a program offered by the Young Alberta Book Society (YABS). In 2001/02, 52 authors visited 213 schools or libraries in 106 communities – reaching 55,000 young Albertans.

## Arts Funding in 2001/02

- In 2001/02, the AFA provided 1,204 awards valued at \$20,933,795 to arts organizations and artists to support arts events and activities. This includes 45 grants through the Alberta Film Development Program valued at \$5,538,527

## AFA Board Meetings in 2001/02

- In 2001/02, a total of 7 Board meetings were held by the AFA. The May & Oct 01 and Feb & March 02 meetings took place in Edmonton. The June & Dec 01 meetings were held in Calgary and the Sept 01 meeting was in St. Paul (including a client reception).

The Alberta Foundation for the Arts (AFA) was formed in 1991. The AFA is the Province of Alberta's arts funding body that supports professional and community-based activities in the literary, new media, performing (dance, music and theatre) and visual arts. In addition, the AFA is responsible for the collection, maintenance and preservation of a provincial art collection of original Alberta art that has been actively collected since the mid-70s.

Funding for the Alberta Foundation for the Arts is provided through the Alberta Lottery Fund.

# **Alberta Foundation for the Arts**

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Financial Statements

March 31, 2002

**ALBERTA FOUNDATION FOR THE ARTS  
FINANCIAL STATEMENTS  
March 31, 2002**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

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Schedule 3 – Related Parties Transactions

Schedule 4 – Allocated of 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, 2002 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, 2002 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.

Original Signed By Fred Dunn, CA  
Auditor General

Edmonton, Alberta  
May 23, 2002

ALBERTA FOUNDATION FOR THE ARTS  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2002

|  | 2002                   |                   | 2001                |
|--|------------------------|-------------------|---------------------|
|  | Budget<br>(Schedule 2) | Actual            | Actual              |
| <b>Revenues:</b>   |                        |                   |                     |
| Internal Government Transfers  |                        |                   |                     |
| Transfers from the Department of<br>Community Development              |                        |                   |                     |
| - Operating  | \$ 16,104,000          | \$ 15,880,000     | \$ -                |
| - Film development program   | 5,000,000              | 5,000,000         | -                   |
| Contributions from the Lottery Fund                                    |                        |                   |                     |
| - Operating  | -                      | -                 | 16,104,000          |
| - Film development program   | -                      | -                 | 5,000,000           |
| Investment income  | 275,000                | 295,208           | 397,321             |
| Other Revenue  |                        |                   |                     |
| Miscellaneous  | 30,000                 | 72,396            | 51,406              |
| Donations of artworks and cash   | 100,000                | 387,822           | 68,250              |
|  | <u>21,509,000</u>      | <u>21,635,426</u> | <u>21,620,977</u>   |
| <b>Expenses - Directly Incurred (Note 2b and<br/>Schedule 1 and 4)</b> |                        |                   |                     |
| Arts promotion   | 11,276,000             | 11,506,662        | 11,372,460          |
| Arts participation   | 2,061,000              | 1,848,850         | 1,856,234           |
| Arts support   | 1,859,000              | 1,755,817         | 1,813,366           |
| Artist development   | 960,000                | 1,318,920         | 956,362             |
| Collection, preservation and display<br>of provincial artworks         | 132,000                | 80,113            | 82,217              |
| Administration   | 225,000                | 206,632           | 199,659             |
|  | <u>16,513,000</u>      | <u>16,716,994</u> | <u>16,280,298</u>   |
| Film development   | <u>5,924,000</u>       | <u>5,688,292</u>  | <u>5,886,209</u>    |
|  | <u>22,437,000</u>      | <u>22,405,286</u> | <u>22,166,507</u>   |
| Net operating results  | <u>\$ (928,000)</u>    | (769,860)         | (545,530)           |
| Fund balance at beginning of year                                      |                        | <u>1,448,408</u>  | <u>1,993,939</u>    |
| Fund balance at end of year  |                        | <u>\$ 678,548</u> | <u>\$ 1,448,409</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, 2002

|  | <u>2002</u>         | <u>2001</u>         |
|--|---------------------|---------------------|
| ASSETS:                                  |                     |                     |
| Cash (Note 3)                            | \$ 3,863,168        | \$ 2,551,055        |
| Accrued interest                         | 15,207              | 15,207              |
| Accounts receivable (Note 4)             | <u>20,903</u>       | <u>1,392</u>        |
|  | <u>3,899,278</u>    | <u>2,567,654</u>    |
| Long-term investments (Note 5)           | <u>466,746</u>      | <u>466,746</u>      |
| Capital assets (Note 6)                  | <u>47,115</u>       | <u>55,683</u>       |
|  | <u>\$ 4,413,139</u> | <u>\$ 3,090,083</u> |
| LIABILITIES AND EQUITY:                  |                     |                     |
| Accounts payable and accrued liabilities | <u>\$ 3,267,845</u> | <u>\$ 1,174,928</u> |
| Equity:                                  |                     |                     |
| Fund balance                             | 678,548             | 1,448,409           |
| General reserve (Note 8)                 | <u>466,746</u>      | <u>466,746</u>      |
|  | <u>1,145,294</u>    | <u>1,915,155</u>    |
|  | <u>\$ 4,413,139</u> | <u>\$ 3,090,083</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, 2002

|  | <u>2002</u>          | <u>2001</u>            |
|--|----------------------|------------------------|
| Operating transactions:  |                      |                        |
| Net operating results  | \$ (769,860)         | \$ (545,530)           |
| Non-cash items:  |                      |                        |
| Amortization of capital assets                                     | 8,568                | 977                    |
|  | <u>(761,292)</u>     | <u>(544,553)</u>       |
| Decrease in accrued interest                                       | -                    | 31,064                 |
| (Increase) decrease in accounts receivable                         | (19,511)             | 714                    |
| Increase (decrease) in accounts payable and<br>accrued liabilities | <u>2,092,916</u>     | <u>(820,824)</u>       |
| <br>Cash provided by operating transactions                        | <br><u>1,312,113</u> | <br><u>(1,333,599)</u> |
| Investing transactions:  |                      |                        |
| Purchases of Capital Assets  | <u>-</u>             | <u>(55,683)</u>        |
| <br>Cash provided by investing transactions                        | <br><u>-</u>         | <br><u>(55,683)</u>    |
| <br>Increase in cash   | <br>1,312,113        | <br>(1,389,282)        |
| Cash at beginning of year  | <u>2,551,055</u>     | <u>3,940,337</u>       |
| Cash at end of year  | <u>\$ 3,863,168</u>  | <u>\$ 2,551,055</u>    |

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

ALBERTA FOUNDATION FOR THE ARTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2002

**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 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.



ALBERTA FOUNDATION FOR THE ARTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2002

**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 4.

**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.

ALBERTA FOUNDATION FOR THE ARTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2002

**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.

**Liabilities**

Liabilities represent all financial claims payable by the Foundation at fiscal year-end.

**Fair value**

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

**Note 3 Cash**

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed by Alberta Finance 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.

ALBERTA FOUNDATION FOR THE ARTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2002

**Note 3 Cash (continued)**

|  | 2002         | 2001         |
|--|--------------|--------------|
| Cash                                       | \$ 4,029,914 | \$ 2,717,801 |
| Less cash appropriated for non-current use | (166,746)    | (166,746)    |
|  | \$ 3,863,168 | \$ 2,551,055 |

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

**Note 4 Accounts Receivable**

|                     | 2002         |                                       |                            | 2001                       |
|---------------------|--------------|---------------------------------------|----------------------------|----------------------------|
|                     | Gross Amount | Allowance for<br>Doubtful<br>Accounts | Net<br>Realizable<br>Value | Net<br>Realizable<br>Value |
| Accounts receivable | \$ 56,363    | \$ (35,460)                           | \$ 20,903                  | \$ 1,392                   |

Accounts receivable are unsecured and non-interest bearing.

**Note 5 Long-Term Investments**

|   | 2002                                    |            |           | 2001      |           |
|---|---|------------|-----------|-----------|-----------|
|   | Effective<br>Annual<br>Interest<br>Rate | Cost       | Market    | Cost      | Market    |
| Deposits with life insurance companies,<br>maturing in six years <sup>(a)</sup> | 5.125%                                  | \$ 300,000 | \$300,000 | \$300,000 | \$300,000 |
| Cash appropriated for non-current use   |   | 166,746    |           | 166,746   |           |
|   |   | \$ 466,746 |           | \$466,746 |           |

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

ALBERTA FOUNDATION FOR THE ARTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2002

**Note 6 Capital Assets**

|                                 | Estimated Useful Life | 2002              |                          | Net Book Value   | 2001             |
|---------------------------------|-----------------------|-------------------|--------------------------|------------------|------------------|
|                                 |                       | Cost              | Accumulated Amortization |                  | Net Book Value   |
| Computer equipment and software | 4 years               | \$ 77,977         | \$ (62,977)              | \$ 15,000        | \$ 20,000        |
| Equipment                       | 10 years              | 35,683            | (3,568)                  | 32,115           | 35,683           |
| Office furnishings              | 7 years               | 5,533             | (5,533)                  | -                | -                |
|                                 |                       | <u>\$ 119,193</u> | <u>\$ (72,078)</u>       | <u>\$ 47,115</u> | <u>\$ 55,683</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, fibre and prints. At year end, the collection consisted of approximately 6781 (2001 - 6500) artworks with an approximate value of \$7,072,250 (2001 \$6,466,500). During the year, the Foundation purchased 215 (2001 - 171) artworks by Alberta artists at a total cost of \$216,594 (2001 \$230,029); contributions to the collection included 43 (2001 - 37) artworks with an appraised value of \$387,675 (2001 \$68,250). There was one disposal during the year \$95 (2001 \$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. 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 Commitments**

At March 31, 2002, the Foundation had commitments in the amount of \$11,555,518 (2001 \$12,099,163) for grants approved but not expended, pending fulfillment of eligibility conditions.

ALBERTA FOUNDATION FOR THE ARTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2002

**Note 10 Honoraria**

|                        | 2002                     |  |           | 2001      |
|------------------------|--------------------------|--|-----------|-----------|
|                        | Honoraria <sup>(a)</sup> | Benefits<br>and<br>Allowances <sup>(b)</sup> | Total     | Total     |
| Board <sup>(c)</sup> : |                          |  |           |           |
| Chair                  | \$ 3,512                 | \$ -   | \$ 3,512  | \$ 3,403  |
| Other Members          | 18,267                   | -  | 18,267    | 22,545    |
|                        | \$ 21,779                | \$ -   | \$ 21,779 | \$ 25,948 |

- (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 11 Comparative Figures**

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

**Note 12 Approval of Financial Statements**

The 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, 2002

|  | 2002                 |                      | 2001                 |
|--|----------------------|----------------------|----------------------|
|  | Budget               | Actual               | Actual               |
| Grants                                     | \$ 21,193,000        | \$ 20,933,795        | \$ 21,092,522        |
| Supplies and services                      | 454,000              | 410,415              | 368,922              |
| Supplies and services from Support Service |                      |                      |                      |
| Arrangements with Related Parties (a)      | 406,000              | 391,000              | 379,000              |
| Donations of artworks                      | 100,000              | 387,675              | 68,250               |
| Acquisition of artworks                    | 250,000              | 216,594              | 230,029              |
| Honoraria (Note 10)                        | 30,000               | 21,779               | 25,948               |
| Other                                      | -                    | 35,460               | 859                  |
| Amortization                               | 4,000                | 8,568                | 977                  |
|  | <u>\$ 22,437,000</u> | <u>\$ 22,405,286</u> | <u>\$ 22,166,507</u> |

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

ALBERTA FOUNDATION FOR THE ARTS  
BUDGET  
FOR THE YEAR ENDED MARCH 31, 2002

Schedule 2

|  | 2001 - 2002<br>Estimates | Treasury Board<br>Approval <sup>(a)</sup> | 2001 - 2002<br>Authorized Budget |
|--|--------------------------|---|----------------------------------|
| <b>Revenues:</b>   |                          |   |                                  |
| Internal Government Transfers                                  |                          |   |                                  |
| Transfers from the Department of<br>Community Development      | \$ 21,104,000            | -   | \$ 21,104,000                    |
| Investment Income  | 275,000                  | -   | 275,000                          |
| Other Revenue  |                          |   | -                                |
| Miscellaneous  | 30,000                   | -   | 30,000                           |
| Donations of artworks  | 100,000                  | -   | 100,000                          |
|  | <u>21,509,000</u>        | <u>-</u>                                  | <u>21,509,000</u>                |
| <br>   |                          |   |                                  |
| <b>Expenses - Directly Incurred</b>                            |                          |   |                                  |
| Arts promotion   | 11,276,000               | -   | 11,276,000                       |
| Arts participation   | 2,061,000                | -   | 2,061,000                        |
| Arts support   | 1,859,000                | -   | 1,859,000                        |
| Artist development   | 960,000                  | -   | 960,000                          |
| Collection, preservation and display<br>of provincial artworks | 132,000                  | -   | 132,000                          |
| Administration   | 225,000                  | -   | 225,000                          |
|  | <u>16,513,000</u>        | <u>-</u>                                  | <u>16,513,000</u>                |
| <br>   |                          |   |                                  |
| Film development   | 5,924,000                | 314,000                                   | 6,238,000                        |
|  | <u>22,437,000</u>        | <u>314,000</u>                            | <u>22,751,000</u>                |
| <br>   |                          |   |                                  |
| Net operating results  | <u>\$ (928,000)</u>      | <u>\$ (314,000)</u>                       | <u>\$ (1,242,000)</u>            |
| <br>   |                          |   |                                  |
| Capital Investment   | <u>\$ -</u>              | <u>\$ -</u>                               | <u>\$ -</u>                      |

(a) Treasury Board approved a \$314,000 increase for the Film Development Program from the Foundation's fund balance.

(b) The budget was approved by the Board of Directors on June 22, 2001

ALBERTA FOUNDATION FOR THE ARTS  
RELATED PARTY TRANSACTIONS  
FOR THE YEAR ENDED MARCH 31, 2002

Related parties are those entities consolidated or accounted for on a 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 financial statements at the amount of consideration agreed upon between the related parties:

|  | Entities in the Ministry |                  | Other Entities   |                      |
|--|--------------------------|------------------|------------------|----------------------|
|  | 2002                     | 2001             | 2002             | 2001                 |
| <b>Revenues:</b>                                       |                          |                  |                  |                      |
| Transfers from the Department of Community Development |                          |                  |                  |                      |
| - Operating  | \$ 15,880,000            | \$ -             | \$ -             | \$ -                 |
| - Film development                                     | 5,000,000                | -                | -                | -                    |
| - Donation of Artworks                                 | 174,000                  |                  |                  |                      |
| Transfers from the Lottery Fund                        |                          |                  |                  |                      |
| - Operating  | -                        | -                | -                | 16,104,000           |
| - Film development                                     | -                        | -                | -                | 5,000,000            |
|  | <u>\$ 21,054,000</u>     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 21,104,000</u> |
| <b>Expenses - Directly Incurred</b>                    |                          |                  |                  |                      |
| Grants   | \$ 125,000               | \$ 92,400        | \$ -             | \$ -                 |
| Other services   |                          |                  | 37,830           | 18,689               |
|  | <u>\$ 125,000</u>        | <u>\$ 92,400</u> | <u>\$ 37,830</u> | <u>\$ 18,689</u>     |
| Payable to   | <u>\$ 125,000</u>        | <u>\$ 92,400</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 financial statements and are disclosed in Schedule 4.

|                                      | Entities in the Ministry |                   | Other Entities    |                   |
|--------------------------------------|--------------------------|-------------------|-------------------|-------------------|
|                                      | 2002                     | 2001              | 2002              | 2001              |
| <b>Expenses - Incurred by Others</b> |                          |                   |                   |                   |
| Accommodation                        | \$ -                     | \$ -              | \$ 172,468        | \$ 178,618        |
| Legal services                       | -                        | -                 | 360               | 117               |
| Other services                       | 595,829                  | 549,748           | -                 | -                 |
|                                      | <u>\$ 595,829</u>        | <u>\$ 549,748</u> | <u>\$ 172,828</u> | <u>\$ 178,735</u> |



ALBERTA FOUNDATION FOR THE ARTS  
ALLOCATED COSTS  
FOR THE YEAR ENDED MARCH 31, 2002

| Program   | 2002                    |                               |                |                   | 2001                 |                      |
|---|-------------------------|-------------------------------|----------------|-------------------|----------------------|----------------------|
|   | Expenses <sup>(1)</sup> | Expenses - Incurred by Others |                |                   | Total Expenses       | Total Expenses       |
|   |                         | Accommodation Costs           | Legal Services | Other Services    |                      |                      |
| Arts promotion  | 11,506,662              | \$ 7,333                      | \$ -           | \$ 181,490        | \$ 11,695,485        | \$ 11,547,011        |
| Arts participation  | 1,848,850               | 4,306                         | -              | 144,804           | 1,997,960            | 1,994,597            |
| Arts support  | 1,755,817               | 3,799                         | -              | 85,504            | 1,845,120            | 1,897,180            |
| Artist development  | 1,318,920               | 4,523                         | -              | 109,525           | 1,432,968            | 1,061,242            |
| Collection, preservation and display of provincial artworks | 80,113                  | 149,533                       | -              | 13,204            | 242,850              | 248,276              |
| Administration  | 206,632                 | 885                           | 360            | 14,413            | 222,290              | 214,037              |
| Film development  | 5,688,292               | 2,090                         | -              | 46,889            | 5,737,271            | 5,932,647            |
|   | <u>\$ 22,405,286</u>    | <u>\$ 172,469</u>             | <u>\$ 360</u>  | <u>\$ 595,829</u> | <u>\$ 23,173,944</u> | <u>\$ 22,894,990</u> |

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