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LIBRARY
VAULT 19

Sessional Paper 1263/2000
4 Session, 24 Legislature

A N N U A L

R E P O R T

COMMUNITY

DEVELOPMENT

FOR THE FISCAL YEAR ENDED

MARCH 31, 2000

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.

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. In addition, the council 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 Ministry of Community Development. The commission resolves human rights complaints in keeping with the provisions of the *Human Rights, Citizenship and Multiculturalism Act*. The commission also provides information and education about human rights in Alberta.

4. Alberta Foundation for the Arts

The Alberta Foundation for the Arts assists the development of culture and the arts that are fundamental to Alberta's quality of life by recommending, to the Minister of Community Development, grant assistance to artists and arts organizations. The foundation encourages public access to the arts and assists in creating opportunities for children and youth to participate in the arts.

5. Alberta Sport, Recreation, Parks and Wildlife Foundation

The Alberta Sport, Recreation, Parks and Wildlife Foundation supports the development of recreation, sport, parks and wildlife activities in the

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

- helping communities help themselves through the provision of organizational assistance and facilitation services;
- increasing community self-reliance and self-sufficiency through financial support and consultative services toward the development of local resources and effective use of volunteers;
- supporting the development of arts and culture 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 young Albertans through financial and consultative support to the provincial sport system.

Strategy:

Continue to help community and provincial organizations to increase their governance, resource use and financial management capacity in order to build self-reliance.

Building self-reliance in community and provincial organizations involves the cooperative efforts of many individuals. Self-reliance may be defined as the ability to determine and achieve one's goals. The ministry is committed to helping communities achieve their goals through consultative service and assistance in a variety of areas such as governance, resource use and financial management. Work performed through the Volunteer Services Branch and its four regional and seven satellite offices, involved the ministry in 533 community development projects serving 13,265 Albertans in 1999-2000.

The ministry provided consultation services for the establishment of governance and financial management to the Host Societies for the 1999 Alberta Seniors Games in Olds-Didsbury and the Alberta Winter Games in Strathcona County.

Strategy:

Increase commitment to the provincial Active Living Strategy in collaboration with other government departments.

Strategy:

Create a secretariat within the ministry to coordinate provincial assistance to the 2001 World Championships in Athletics to be held in Edmonton.

Strategy:

Provide assistance to the Western Canada Summer Games, Arctic Winter Games and the North American Indigenous Games, as well as to the Olds-Didsbury host society for the 1999 Alberta Seniors Games and to Strathcona County for the 2000 Alberta Winter Games.

Strategy:

Coordinate a needs assessment to address aging community recreation infrastructure.

Strategy:

Complete a public consultation process and review of arts funding programs focussing on core outcomes.

During 1999, the Film Classification section initiated workshops for the students and the general public addressing concerns about media influence on violence in schools. The Film Classification Board consulted with staff from Capital Health and the Edmonton school boards in the development of a teaching module, "Expecting Respect Peer Education Program," designed to train students from 46 schools to teach fellow students about media advertising. The public media education activities were carried out under an expanded mandate for the Film Classification Section, which also classified 249 hours of film and generated approximately \$418,000 in revenues from fees for film classification.

Through the Minister's Coordinating Council, Community Development continued to work in collaboration with other ministries and agencies on the implementation of the Active Living Strategy recommendations. The partnering groups included Alberta Justice, Alberta Learning, Alberta Health and Wellness, Alberta Human Resources and Employment, Alberta Children's Services and the Workers' Compensation Board.

Overall coordination and planning for the 2001 World Championships in Athletics in Edmonton is underway. The ministry established a secretariat and provided \$19 million in funding assistance to the organizing committee for operational expenses and capital projects that included renovations at existing facilities.

The ministry, through its Sport and Recreation Branch, successfully coordinated the participation of 315 Albertans in the 1999 Western Canada Summer Games and 232 Albertans in the 2000 Arctic Winter Games. Financial and technical assistance was provided to the 1999 Alberta Seniors Games and the 2000 Alberta Winter Games hosting societies enabling them to stage successful games. The Seniors and Winter Games hosted 1,088 and 2,485 participants, respectively.

Further demonstrating the ministry's ability to manage multi-disciplinary sectors in delivering services to Albertans, the Alberta Foundation for the Arts continued to provide its annual contribution of \$125,000 for the cultural components of the games held in 1999-2000; the Alberta Winter Games, Seniors Games and Arctic Winter Games also received funding.

In collaboration with the Alberta Recreation and Parks Association (ARPA), the ministry completed an inventory of the arenas, pools and curling rinks in Alberta. The ministry also worked in partnership with Alberta Infrastructure, Alberta Municipal Affairs, the ARPA and the City of Calgary to develop assessment criteria to evaluate the status of the facilities. In addition, the ministry partnered with the ARPA to provide a number of recreation facility lifecycle planning manuals for rural Alberta communities.

The Alberta Foundation for the Arts continued its comprehensive review of all foundation grant programs in 1999. The review used input received from nine focus groups held in late 1998. During 1999, the foundation held ongoing meetings with Alberta's public art gallery community to dis-

Strategy:
Implement a new film development grant program in support of Alberta film artists, producers and technicians.

Strategy:
Continue development of the Alberta Public Library Electronic Network in partnership with the library community.

cuss possible future changes to its grant programs. Input from those meetings was used to create a new funding formula for public art gallery grants.

The Alberta Film Development Program completed its first year of operation in 1999-2000. During 1999-2000, an investment of \$2.9 million yielded a return of \$33.2 million in total production costs, \$19.2 million of which was spent in Alberta.

The ministry furthered the development of the Alberta Public Library Electronic Network by facilitating the purchase of licenses for specialized databases accessible through all of the public libraries. These databases include full text journals, periodicals, newspapers and a general business database. Due to the cost of individual licenses, libraries would not normally be able to afford access to these resources; however, this information has been made available in many communities through the network.

MEASURE: Customer satisfaction with community development assistance provided

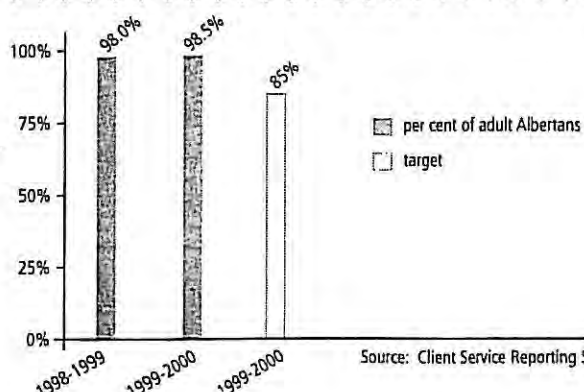
The ministry provides a range of services to communities to help them sustain and improve their self-reliance and self-sufficiency.

The measure represents the overall satisfaction rating for facilitation services performed by the Volunteer Services Branch in communities across the province. Clients ranged from community organizations to municipalities and other provincial government entities. Evaluation forms were distributed to participants for workshops or forums conducted by the ministry or to the organization's management when the activity was conducted on their behalf.

A total of 533 completed projects were recorded in the branch's Customer Service Reporting System, a project-based system that includes data on the number of Albertans who were assisted in each region, the type of services provided and customer satisfaction results. A new evaluation form was introduced in April 1999 and adopted by all regions.

All regional satisfaction ratings were tabulated by dividing the total number of positive responses by the number of evaluations returned. A weighting factor based on evaluations returned was applied to calculate the overall satisfaction level.

Customer satisfaction with community development assistance provided



Source: Client Service Reporting System

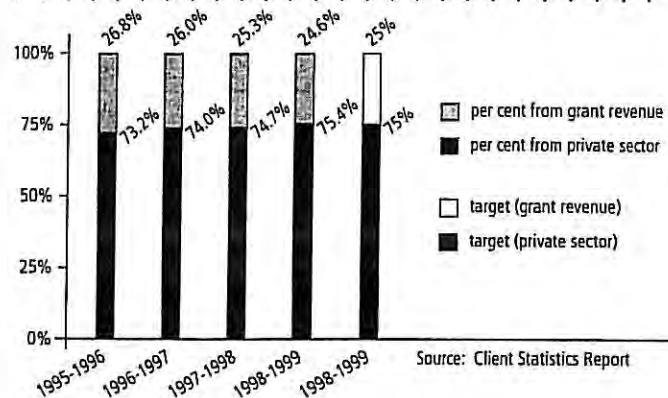
MEASURE: Impact of support to arts and cultural industries

This revised 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 is 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



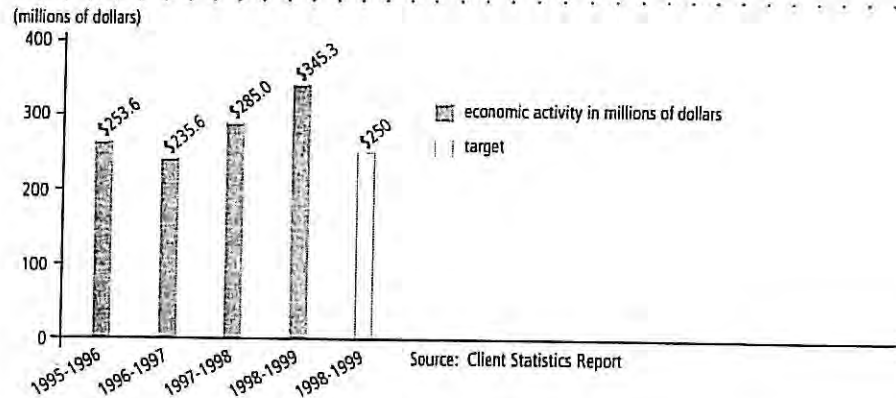
During 1998-1999, arts organizations were able to raise approximately 75.4 per cent of their revenues from the private sector, up slightly from 1997-1998. This result is based on the Client Statistics Report survey response rate of 95.5 per cent. The Client Statistics Report collects data on an organization's previous fiscal year, consequently data for 1999-2000 will not be available until April 2001. The 1999-2000 reporting of private-sector funding will appear in the 2000-2001 annual report. 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 is from grant revenue consisting of Alberta Foundation for the Arts funding, as well as federal, provincial and municipal grants.

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, consequently data for 1999-2000 will not be available until April 2001. Using the Client Statistics Report and a computed average of relevant industry standard

economic impact multiplier of 1.49857 (economic impact multipliers 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



In 1998-1999, the economic impact related to arts and cultural industries was \$345.3 million. This is an increase of \$60.3 million from the economic impact reported in the previous annual report. The ministry target was \$250 million.

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 was 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.

There are three desired outcomes for the Alberta Film Development Program. They include an increase in Alberta-driven film/video production; 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.

Film production companies eligible for funding under the Alberta Film Development Program submitted film production project reports to the ministry. The 1999-2000 results under the program reported: 1,156 film production employment opportunities offered to Alberta's actors, musicians, designers, writers, producers and directors; 19 films made in the province; and \$19.2 million in film production expenditures by Alberta owned and operated production companies in Alberta. Since this is a new program, the results will establish benchmarks for future targets.

REPORT OF THE AUDITOR GENERAL ON THE RESULTS OF APPLYING
SPECIFIED AUDIT PROCEDURES TO KEY PERFORMANCE MEASURES

To the Members of the Legislative Assembly:

I have performed the following procedures in connection with the Ministry of Community Development's key performance measures included in the *1999-2000 Annual Report of the Ministry of Community Development* as presented on pages 9 to 57.

1. Information obtained from an independent source, such as Statistics Canada, was agreed with the information supplied by the stated source. Information provided internally was agreed to the reports from the systems used to develop the information.
2. The calculations which converted source information into reported measures were tested.
3. The appropriateness of the description of each measure's methodology was assessed.

As a result of applying the above procedures, I found no exceptions. However, these procedures do not constitute an audit of the key performance measures and therefore I express no opinion on the key performance measures included in the *1999-2000 Annual Report of the Ministry of Community Development*.

Peter Valente FCA
Auditor General

Edmonton, Alberta
September 18, 2000

OVERALL RESULTS & FUTURE CHALLENGES

RESULTS ANALYSIS

The ministry was focused throughout 1999-2000 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 cultural and natural history; and supporting special purpose housing needs.

The future will bring new challenges to the ministry. Staff training and the provision of learning opportunities will become increasingly 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. Staff in the ministry have risen to meet the challenges presented in 1999-2000. Through innovation, collaboration, leadership and hard work, ministry staff will continue to excel in meeting the needs of Albertans, stakeholders and partners in the future to ensure success in all core businesses of the ministry.

Promoting community development

In addressing its core business of promoting community development, the ministry was successful in achieving desired results in a number of areas.

The ministry's Wild Rose Foundation won a gold 1999 Premier's Award of Excellence for hosting the International Association for Volunteer Effort's 15th Biennial World Volunteer Conference. The conference drew 2,714 delegates from 92 countries to make it the largest global volunteer conference ever held.

As part of its program review, the Alberta Foundation for the Arts engaged Alberta's public art galleries in discussions on future funding throughout 1999-2000. The review explored innovative ways of providing support to the arts in the future. During this fiscal year, the Alberta Foundation for the Arts distributed \$15.3 million to individual artists and arts organizations province-wide and administered the first year of the three-year \$15 million Alberta Film Development Program.

The ministry's largest expenditure was \$218 million for supporting the independence and well-being of seniors. Within this expense category, about 95 per cent (\$208 million) was provided as financial assistance to eligible lower-income seniors, including \$195 million for income support and \$13 million for seniors housing grants. The second largest program, promoting community development, entails providing technical and financial support to the arts, sport and recreation, parks and wildlife ventures, and library and volunteer sectors of the province. The largest components of the \$86 million expended within this category were:

- Department of Community Development \$ 39 million
- Alberta Sport, Recreation, Parks and Wildlife Foundation \$ 18 million
- Alberta Foundation for the Arts \$ 22 million
- Wild Rose Foundation \$ 7 million

The ministry expended \$61 million on special purpose housing needs, which consisted of \$6 million by the department, and \$55 million by the Alberta Social Housing Corporation. The ministry also spent \$23 million on preserving, protecting and presenting Alberta's unique cultural and natural history, including \$15.3 million by the department, \$6.2 million by the Alberta Historical Resources Foundation and \$1.5 million by the Historic Resources Fund. The ministry spent \$4 million on protecting human rights and promoting fairness and access which represents expenses of both the department and the Human Rights, Citizenship and Multiculturalism Education Fund. The remaining ministry expenses were \$8 million (two per cent) for ministry support services, \$59 million on debt servicing costs and a credit of \$1 million for valuation adjustments.

Expenses by Program - \$458 Million



Source: Administrative Services Division

Alberta Foundation for the Arts

Financial Statements

March 31, 2000

ALBERTA FOUNDATION FOR THE ARTS

FINANCIAL STATEMENTS

MARCH 31, 2000

Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Changes in Financial Position

Notes to the Financial Statements



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, 2000 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 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.

The Foundation is required to follow the corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from generally accepted accounting principles. As disclosed in Note 13(a), certain accommodation, manpower and other costs incurred in the administration of the Foundation have not been included in expenses. These costs, estimated at \$695,000, are recorded by the Government of Alberta organizations that paid the costs on behalf of the Foundation.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2000 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Peter Valentini FCA
Auditor General

Edmonton, Alberta
May 24, 2000

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2000

	<u>2000</u>	<u>1999</u> (Restated Note 2(f))
<u>ASSETS</u>		
Current assets:		
Cash and short-term investments (Note 3)	\$ 3,940,337	\$ 1,169,562
Accrued interest	46,271	98,517
Accounts receivable and prepaid expenses	<u>2,106</u>	<u>3,703</u>
	<u>3,988,714</u>	<u>1,271,782</u>
Long-term investments (Note 4)	<u>466,746</u>	<u>1,666,746</u>
Capital assets (Note 5)	<u>977</u>	<u>15,212</u>
	<u>\$ 4,456,437</u>	<u>\$ 2,953,740</u>
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Grants payable	\$ 1,964,772	\$ 519,587
Accounts payable	<u>30,980</u>	<u>24,612</u>
	<u>1,995,752</u>	<u>544,199</u>
Equity:		
Fund balance	1,993,939	742,795
General reserve (Note 7)	<u>466,746</u>	<u>1,666,746</u>
	<u>2,460,685</u>	<u>2,409,541</u>
	<u>\$ 4,456,437</u>	<u>\$ 2,953,740</u>
Commitments (Note 8)		

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

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2000

	2000		1999
	Budget (Note 9)	Actual	Actual (Restated Note 2(f))
Revenues:			
Contributions from the Lottery Fund, a related party			
- Operating	\$ 16,104,000	\$ 16,104,000	\$ 16,104,000
- Film development program	5,000,000	5,000,000	-
Interest	375,000	369,692	347,764
Miscellaneous	30,000	134,235	267
Donations of artworks	-	94,495	89,750
	<u>21,509,000</u>	<u>21,702,422</u>	<u>16,541,781</u>
Expenses (Note 10 and 13(a)):			
Public access program	10,503,000	10,551,891	10,568,483
Artist development program	5,508,000	5,631,793	5,539,883
Alberta Library network	1,200,000	2,400,000	1,200,000
Administration	206,000	191,769	158,860
	<u>17,417,000</u>	<u>18,775,453</u>	<u>17,467,226</u>
Film development program (Note 11)	5,000,000	2,875,825	-
	<u>22,417,000</u>	<u>21,651,278</u>	<u>17,467,226</u>
Net operating results	(908,000)	51,144	(925,445)
Transfer from general reserve	-	1,200,000	1,200,000
Change in fund balance during the year	<u>\$ (908,000)</u>	1,251,144	274,555
Fund balance at beginning of year		<u>742,795</u>	<u>468,240</u>
Fund balance at end of year		<u>\$ 1,993,939</u>	<u>\$ 742,795</u>

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2000

	<u>2000</u>	<u>1999</u> Restated (Note 2 (f))
Operating transactions:		
Net operating results	\$ 51,144	\$ (925,445)
Non-cash items:		
Write-off of capital assets	8,625	-
Amortization of capital assets	<u>5,610</u>	<u>2,048</u>
	65,379	(923,397)
Decrease in accrued interest	52,246	50,983
Decrease (increase) in accounts receivable and prepaid expenses	1,597	(644)
Increase (decrease) in grants payable	1,445,185	(5,587)
Increase (decrease) in accounts payable	<u>6,368</u>	<u>(208,517)</u>
Cash provided by (used in) operating transactions	<u>1,570,775</u>	<u>(1,087,162)</u>
Investing transactions:		
Proceeds from disposal of investments	-	600,000
Purchases of investments	-	(300,000)
Decrease in long term investments	<u>1,200,000</u>	<u>900,000</u>
Cash provided by (used in) investing transactions	<u>1,200,000</u>	<u>1,200,000</u>
Financing transactions:		
Decrease in long-term grant payable	-	(500,000)
Cash used in financing transactions	<u>-</u>	<u>(500,000)</u>
Increase (decrease) in cash and short-term investments	2,770,775	(387,162)
Cash and short-term investments at beginning of year	<u>1,169,562</u>	<u>1,556,724</u>
Cash and short-term investments at end of year	<u><u>\$ 3,940,337</u></u>	<u><u>\$ 1,169,562</u></u>

ALBERTA FOUNDATION FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2000

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 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.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) Revenue Recognition

Operating grants are recognized as revenue in the period receivable.

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.

(b) 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.

(c) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided over the estimated useful lives of the capital assets on a straight-line basis using the following annual rates:

Office furniture, equipment and furnishings	15%
Computer equipment	25%

(d) 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.

(e) Expenses

Grants are recorded as expenses when authorized by the Foundation's Members and when eligibility conditions for the grants have been satisfied.

Certain expenses, primarily for accommodation, manpower and other services, incurred in the administration of the Foundation by other Government of Alberta organizations, are not reflected in the statement of operations.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(f) Change in Accounting Policy

The Foundation no longer records artworks and collections. Accordingly in the comparative figures, these assets have been removed from the Statement of Financial Position. Artworks and collections both decreased by \$5,449,785 (April 1, 1998) and \$5,805,801 (April 1, 1999) respectively. In addition, the purchased and donated artworks that were previously recorded as capital acquisitions are now recorded as expenses in the Statement of Operations. Artist development program expenses increased by \$363,644 (1999 \$355,216) as a result of this change.

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 consists of deposits with life insurance companies that mature within one year.

	<u>2000</u>	<u>1999</u>
Cash	\$ 3,607,083	\$ 1,436,308
Short-term investments	<u>500,000</u>	<u>600,000</u>
	4,107,083	2,036,308
Less cash and short-term investments appropriated for non-current use	<u>(166,746)</u>	<u>(866,746)</u>
	<u>\$ 3,940,337</u>	<u>\$ 1,169,562</u>

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

Note 4 Long-Term Investments

	2000		1999		
	Effective Interest Rate	Cost	Market	Cost	Market
Deposits with life insurance companies, maturing in one to three years ^(a)		\$ -	\$ -	\$ 500,000	\$ 500,000
Deposits with life insurance companies, maturing in eight years ^(a)	5.125%	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
		300,000	<u>\$ 300,000</u>	800,000	<u>\$ 800,000</u>
Cash and short-term investments appropriated for non-current use		<u>166,746</u>		<u>866,746</u>	
		<u>\$ 466,746</u>		<u>\$ 1,666,746</u>	

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

Note 5 Capital Assets

	2000		1999	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$57,977	\$ 57,000	\$ 977	\$ 5,646
Office furniture, equipment and furnishings	<u>5,533</u>	<u>5,533</u>	<u>-</u>	<u>9,566</u>
	<u>\$63,510</u>	<u>\$ 62,533</u>	<u>\$ 977</u>	<u>\$15,212</u>

Note 6 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 6,300 artworks with an approximate value of \$6,168,470. During the year, the Foundation purchased 144 paintings, sketches and sculptures by Alberta artists at a total cost of \$269,149 (1999 \$267,741); contributions to the collection included 108 paintings and prints, also by Alberta artists, with an appraised value of \$94,495 (1999 \$89,750). There were no disposals during the year (1999 \$2,275).

Note 7 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. Currently, 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.

	<u>2000</u>	<u>1999</u>
Balance at beginning of year	\$ 1,666,746	\$ 2,866,746
Transferred to operations	<u>(1,200,000)</u>	<u>(1,200,000)</u>
Balance at end of year	<u>\$ 466,746</u>	<u>\$ 1,666,746</u>

Note 8 Commitments

At March 31, 2000, the Foundation had commitments in the amount of \$11,618,185 (1999 \$8,453,268) for grants approved but not expended, pending fulfillment of eligibility conditions.

Note 9 Budget

The budget was approved by the Board of Directors on March 5, 1999.

As a result of a change in accounting policy as described in Note 2(f), total budgeted net operating results will differ from amounts disclosed in the 1999-2000 Government and Lottery Fund Estimates.

	<u>1999 - 2000</u> <u>Estimates</u>	<u>Adjustments</u>	<u>Reported</u> <u>Budget</u>
Revenues	<u>\$ 21,509,000</u>	<u>\$ -</u>	<u>\$ 21,509,000</u>
Expenses	<u>22,144,000</u>	<u>273,000</u>	<u>22,417,000</u>
Net Operating Results	<u>\$ (635,000)</u>	<u>\$ (273,000)</u>	<u>\$ (908,000)</u>
Capital Investment	<u>\$ 273,000</u>	<u>\$ (273,000)</u>	<u>\$ -</u>

Note 10 Expenses

Expenses are summarized by object as follows:

	<u>2000</u>		<u>1999</u>
	<u>Budget</u> <u>(Note 9)</u>	<u>Actual</u>	<u>Actual</u> <u>(Restated</u> <u>Note 2(f))</u>
Grants	\$ 21,402,000	\$ 20,407,698	\$ 16,500,792
Supplies and services	374,000	442,915	417,097
Supplies and services from Support Service			
Arrangements with Related Parties (a)	333,000	333,000	151,000
Acquisition of artworks	273,000	363,644	355,216
Other	-	77,318	18,516
Honoraria (Note 12)	30,000	21,093	22,557
Amortization	5,000	5,610	2,048
	<u>\$ 22,417,000</u>	<u>\$ 21,651,278</u>	<u>\$ 17,467,226</u>

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

Note 11 Alberta Film Development Program

The Alberta Film Development Program was announced by the Minister of Community Development in October 1998. The program has a budget of \$15 million over three years. The program is specifically designed to support and assist Alberta filmmakers, artists and technicians.

Note 12 Honoraria

	2000			1999
	Benefits and			Total
	Honoraria ^(a)	Allowances ^(b)	Total	
Board ^(c) :				
Chair	\$ 3,959	\$ -	\$ 3,959	\$ 4,126
Other Members (8)	17,134	-	17,134	18,431

- (a) The Foundation has no employees. Staff of the Department of Community Development administer 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 13 Related Party Transactions

During the year, the Foundation:

- (a) received accommodation, manpower, and other services from various Government of Alberta organizations at no charge. These services had an estimated value of \$695,000 (1999 \$706,000), and are not included in expenses. These costs are recorded by the organizations that paid the expenses on behalf of the Foundation;
- (b) paid the Alberta Sport, Recreation, Parks and Wildlife Foundation \$125,000 (1999 \$125,000) for staging cultural components at Alberta Games; and

Note 13 Related Party Transactions (continued)

- (c) paid \$26,451 (1999 \$19,580) for supplies and/or services to other Government of Alberta organizations.

Transactions with other related parties are disclosed in the statement of operations and in Note 10.

Note 14 Comparative Figures

Certain 1999 figures have been reclassified to conform to the 2000 presentation.

Note 15 Approval of Financial Statements

These financial statements were approved by the Board of Directors.