

Culture and Tourism

Annual Report
2017-18



Note to readers:

Copies of the annual report are available on the Alberta Open Government Portal website:

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Culture and Tourism

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains the ministers' accountability statements, consolidated financial statements of the province and *Measuring Up report*, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Culture and Tourism contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- **the financial statements of entities making up the ministry including the Department of Culture and Tourism, the Alberta Foundation for the Arts, the Alberta Historical Resources Foundation, the Alberta Sport Connection, the Historic Resources Fund, and Travel Alberta for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2018, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 6, 2018 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Ricardo Miranda
Minister of Culture and Tourism

Message from the Minister

The breadth and depth of the work done through Culture and Tourism is remarkable. Its strategic investment in the areas of the arts, cultural industries, tourism, recreation, sport, heritage, Francophonie, and the non-profit/voluntary sector helps to create new opportunities for Albertans and to build resilient communities. As our province is emerging from one of the deepest recessions in our history, ministry efforts help to make life better for all of us.

2017-18 was a milestone year for Alberta's Francophone communities. Through the tremendous efforts of the Francophone Secretariat, Alberta passed a historic French Policy to enhance services in French and support the vitality of the Francophonie. In the early stages of implementing this policy, the province has made meaningful first steps including recognizing the Franco-Albertan Flag as a Symbol of Distinction under the *Emblems of Alberta Act*, recruiting members for the Alberta Advisory Council on the Francophonie, and proclaiming March of every year as Alberta Francophonie Month.

Work continues on building Alberta's reputation as a must-experience tourism destination at home and abroad through key investments, Travel Alberta marketing initiatives, and ministry programs to help entrepreneurs, communities and non-profit organizations develop their attractions. Through the Capital Plan, the ministry made strategic investments in cultural and tourism infrastructure, including support to the expansion of the Calgary Zoo, Fort Edmonton Park, the Royal Tyrrell Museum of Palaeontology, the Reynolds-Alberta Museum collection facilities, as well as the refurbishment of Calgary's WinSport sliding track. Of special note, the Alberta government became the first province or territory to invest in the Indigenous Tourism Association of Canada, supporting Indigenous communities with economic opportunities and a platform to share their stories and culture. In addition, data points to continued tourism growth in Alberta. For example: Open Farm Days broke records in 2017, with 101 participating farms hosting more than 20,000 visits in farm tours and culinary events; visitation at provincially-operated museums, interpretive centers, and historic sites increased by 3.4 per cent to 821,344 visits; and, numbers of passengers enplaning or deplaning at major airports continued to grow.

Cultural industries and the arts remain strong economic and social contributors for Alberta. The ministry supports industry efforts to create jobs in our dynamic cultural industries sector that includes screen-based media production, book and magazine publishing, sound recording and interactive digital media. Through the Alberta Foundation for the Arts, the Jubilee Auditoria, and Alberta Culture Days, the ministry supports artists as well as encourages Albertans to enjoy incredible arts and entertainment in the province. Our efforts have made the arts sector a source of pride for Albertans, as well as attractive for visitors and investors.

This year had many sport and recreation highlights. For example, work continued with partners on the Trans Canada Trail (rebranded The Great Trail), adding 100km of trail and 18 new trail openings and celebration events to mark Canada's 150th anniversary. The world was also watching when Alberta-based athletes became stars at the PyeongChang Olympic and Paralympic Games, inspiring young athletes who competed in the Alberta Winter Games, both of which were made possible through the work and support of the Alberta Sport Connection.

Through the ministry's extensive range of activities, Albertans and visitors continue to enjoy the diverse opportunities and experiences available in our province. The examples above are a mere sample of the many accomplishments from the Ministry of Culture and Tourism over the past year, and we endeavor to build on those successes with our partners in 2018-19.

[Original signed by]

Honourable Ricardo Miranda
Minister of Culture and Tourism

Management's Responsibility for Reporting

The Ministry of Culture and Tourism includes the Department of Culture and Tourism and the other reporting entities listed in the ministry overview chart on page six. The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the ministry rests with the Minister of Culture and Tourism. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's Budget 2017.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Culture and Tourism information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

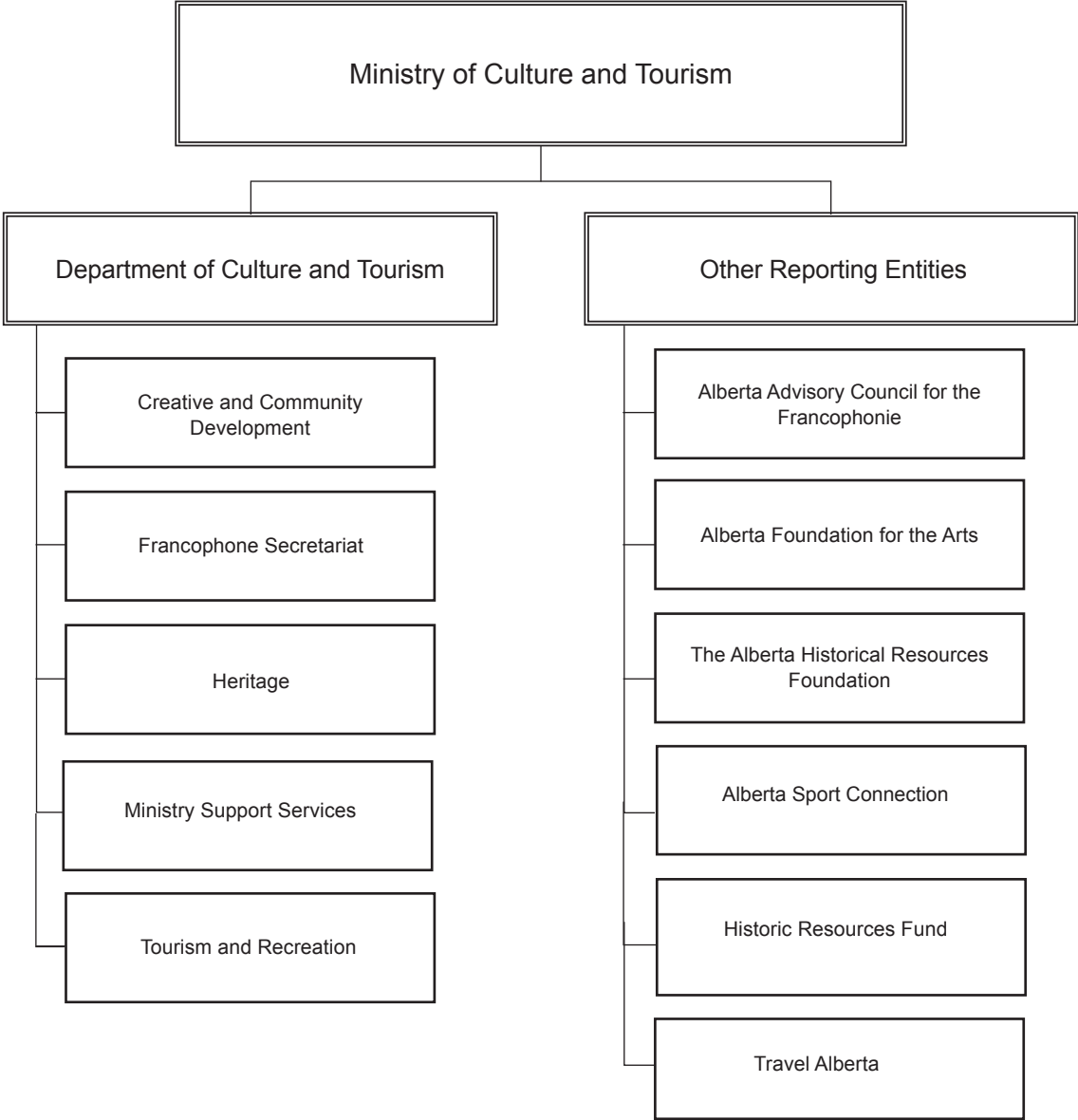
In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Meryl Whittaker
Deputy Minister of Culture and Tourism
June 6, 2018

Results Analysis

Ministry Overview



The following description of the ministry's structure as of March 31, 2018 provides an overview of the range of programs and services available to Albertans.

Department

1. Creative and Community Development

The Creative and Community Development Division works closely with the non-profit/voluntary sector to ensure it has the capacity to deliver programs and services that are essential to healthy and engaged communities across the province. This includes providing resources, facilitation, consultation and skill development services. Community Grants programs such as the Community Facility Enhancement Program and the Community Initiatives Program offer a diverse range of financial supports to meet the needs of non-profit/voluntary organizations. The division works with communities to facilitate major events during the year including Alberta Culture Days, Stars of Alberta, and training and development for non-profit/voluntary sector staff and volunteers. The division provides support to the Alberta Foundation for the Arts for grant programs and services dedicated to developing and showcasing the arts. It supports the sustainability and growth of Alberta's cultural industries. This includes financial incentives to support screen-based production, interactive digital media, book and magazine publishing, and sound recording industries. The division also manages the Northern and Southern Alberta Jubilee Auditoria. Alberta Film, the provincial film commission, provides locations and logistics support to productions, and helps attract foreign productions to the province. The division also helps Albertans make informed viewing choices by providing film classification services and licences to commercial film distributors that operate in Alberta.

2. Francophone Secretariat

The Francophone Secretariat supports the delivery of government services in French by acting as a liaison between the Government of Alberta and Alberta's French-speaking community. It coordinates and ensures leadership for the ongoing implementation of the cross-ministry French Policy, which aims to meaningfully engage and collaborate with Alberta's Francophonie to enhance services in French. Through the Canada-Alberta Agreement on French-Language Services, the secretariat manages federal funding to provincial government entities and community organizations to develop and enhance services in French. The secretariat also coordinates the Government of Alberta's participation in organizations and events such as the annual Ministerial Conference on the Canadian Francophonie.

3. Heritage

The Heritage Division preserves, protects and presents Alberta's natural and cultural history. The division carries out its mandate by managing and operating a network of 20 provincial heritage facilities consisting of the Provincial Archives of Alberta, Royal Alberta Museum, Royal Tyrrell Museum of Palaeontology, Reynolds-Alberta Museum, Ukrainian Cultural Heritage Village, Remington Carriage Museum and 14 historic sites and interpretive centres. These facilities collect, exhibit, research, interpret, and preserve Alberta's heritage. The division develops and delivers education programs, exhibitions and special events. It administers the Historical Resources Act, which empowers the province and municipalities to protect highly significant historic places through special designation. The division regulates land-based development activities in the province to preserve significant historical resources and protects designated historic places, archaeological and palaeontological sites and historic buildings. It also provides support to the Alberta Historical Resources Foundation.

4. Ministry Support Services

Ministry Support Services includes the minister's office, deputy minister's office, and policy and strategic corporate services. These services are provided to the entire ministry to enhance operating efficiency.

Policy and strategic corporate services leads ministry financial planning, forecasting, and financial reporting. It also manages ministry policy development, business planning and performance measurement, business continuity and enterprise risk management, records and information management, coordination of involvement in Federal-Provincial/Territorial activities, agency recruitments, and the department's legislation. Communications provides communications support and services to the ministry. Effective September 1, 2017, the government consolidated communications functions as a corporate service called Communications and Public Engagement that is now housed in the Ministry of Treasury Board and Finance. Human resources oversee employee attraction and retention, occupational health and safety, learning and development, and workplace wellness and recognition. Effective, April 1, 2018, Human resources were consolidated as a corporate service, now housed in the Public Service Commission. Effective, April 23, 2018, information management and technology services were consolidated as a corporate service, now housed in the Ministry of Service Alberta.

5. Tourism and Recreation

Effective February 2018, the Tourism Division and the former Recreation and Physical Activity Division merged to create the Tourism and Recreation Division. The division collaborates with stakeholders to create new and expanded tourism attractions, destinations and experiences. It develops and implements programs to assist regions, municipalities, associations and alliances, supporting their growth as tourism destinations. The division provides business counselling to tourism entrepreneurs and start-up businesses and attracts capital and business investment. The division supports the development of new air services to Alberta's network of international and regional airports, and encourages the federal government to adopt policies that enhance Alberta's air service. The division works in close partnership with Travel Alberta and provides strategic research and intelligence to support stakeholders and Travel Alberta. The division provides trip planning information services to travellers through the 1-800-ALBERTA Contact Centre, provincial visitor information centres and support to community and regional visitor service providers. The division is also the steward of active living initiatives and works in close partnership with the Alberta Sport Connection and with other partners in the recreation, physical activity and sport sectors to develop policy and standards, and leverages government resources to benefit recreation and physical activity initiatives and organizations. It facilitates a coordinated and integrated recreation and physical activity system and engages in the planning and evaluation of quality program initiatives. Support is also provided to inform the development of recreation opportunities throughout the province, including the Trans Canada Trail.

Other Reporting Entities

1. Alberta Advisory Council for the Francophonie

Established in January 2018, the Alberta Advisory Council for the Francophonie's mandate is to advise the Minister responsible for the Francophone Secretariat on the ongoing implementation and evaluation of the government's French Policy, including identifying opportunities for strengthening the community's vitality through the development and enhancement of government services in French.

2. Alberta Foundation for the Arts

The Alberta Foundation for the Arts provides funding to artists and arts organizations to encourage the growth and development of the arts sector. Grants from the foundation help to provide opportunities for public participation in, and enjoyment of, the arts; for artists to develop excellence in artistic practice; and for organizations to increase capacity for arts programming. The foundation conducts arts research, and promotes greater public awareness and engagement with the arts community. In addition, the foundation collects visual art of artistic and historical significance by Alberta artists and supports programming to display artwork from the collection in communities throughout the province, nationally and internationally.

3. The Alberta Historical Resources Foundation

The Alberta Historical Resources Foundation provides grant assistance for community-based heritage initiatives across the province. These include conservation of historical buildings, as well as the development of interpretive markers, publications and education projects. In addition, the foundation is responsible for the naming of geographical features in Alberta and supporting the activities of several heritage societies.

4. Alberta Sport Connection

The vision of the Alberta Sport Connection is to make Alberta the premier sport delivery system in Canada; its mission is to enhance, advocate and inspire participation and partnerships as Albertans strive for excellence in sport. Alberta Sport Connection offers programs, consulting services, leadership, and grant programs that assist sport delivery and high performance sport in Alberta. Through various provincial sport organizations and communities, Alberta Sport Connection provides athlete, coach, official and volunteer development opportunities. It also coordinates the delivery of the Alberta Games and other inter-provincial multi-sport events.

5. Historic Resources Fund

The purpose of the Historic Resources Fund is to protect, enhance, promote and display Alberta's historical resources. This is done through funding programs designated by the Lieutenant Governor in Council and by promoting the use and development of related facilities.

6. Travel Alberta

Travel Alberta is the tourism marketing agency of the Government of Alberta. It is the steward for the Alberta tourism brand and manages national and international tourism marketing programs, services and activities. Travel Alberta drives tourism visitation and revenue by delivering marketing initiatives that attract travellers with compelling invitations to visit Alberta. Travel Alberta also connects the Alberta tourism industry with the tools, resources and information necessary to grow their businesses, leverage strategic partnerships and drive a return on their investment.

Discussion and Analysis of Results

Summary for 2017-18

Alberta's culture and tourism sectors are rich and diverse. They make lives better for Albertans all across the province. In 2017-18, Alberta began to emerge from one of the deepest recessions in decades, and culture and tourism sectors experienced challenges like all sectors. Income levels directly impact discretionary spending and Albertans spend the most money per capita in Canada on culture and recreation goods and services, including recreation equipment, attendance at live sporting and performing arts events, admissions to museums and package trips. Economic circumstances have impacted Albertans' attendance and participation in events and activities, and perceptions on the importance of culture and tourism activities to their quality of life. As Alberta's economy continues to recover, the province's arts, culture and tourism industries remain essential parts of the government's plan to create jobs and promote economic diversification.

The Ministry of Culture and Tourism's 2017-18 spending on programs and services was \$373.0 million. It was used to create new opportunities through strategic investment in areas such as the arts, cultural industries, tourism and recreation, sport, heritage, Francophonie, and the nonprofit/voluntary sector. The work of the ministry helps build inclusive and resilient communities and positively impacts Albertans through the delivery of education programs and special events, and operation of provincial heritage facilities.

The culture sector reflects the diversity and vibrancy of Alberta's population and makes a vital contribution to the economy. Statistics Canada's Culture Satellite Account indicators estimate the gross domestic product (GDP) contribution of culture (including visual and applied arts, live performance, heritage, and cultural industries) to Alberta's economy was \$5.7 billion in 2016; contributing more to the economy than the agriculture and forestry industries, or the utilities sector.

The ministry, through the Alberta Foundation for the Arts, is the primary arts resource and grant funding body in Alberta. In 2017-18, \$31.7 million was used to support the arts sector. Of this funding, \$22.4 million was provided to 781 organizations in operational and project funding, as well as \$3.1 million through 337 individual arts grants to support their activities. Grants from the foundation help in many ways. They provide opportunities for public participation in, and enjoyment of, the arts, for artists to develop excellence in artistic practice, and for organizations to increase capacity for arts programming. In addition, the foundation collects and preserves visual art of artistic and historical significance by Alberta artists and supports programming to display artwork from the collection in communities throughout the province, nationally and internationally. The arts sector is a source of pride for Albertans and an attraction for visitors and investment. According to Statistics Canada, the visual and applied arts sector contributed \$1.0 billion to Alberta's economy in 2016, and the live performance sector \$295 million.

DID YOU KNOW?

By dedicating the last weekend of September as a celebration of culture, the province encourages Albertans to celebrate what culture means to them. During the 2017 Culture Days event, over 91,500 Albertans discovered and celebrated Alberta's arts, heritage and cultural diversity, with almost 425 events in 56 communities across the province. More than 7,675 visitors also attended events presented by the provincial heritage facilities managed by the ministry.

DID YOU KNOW?

The ministry manages the Northern and Southern Alberta Jubilee Auditoria that provide Albertans opportunities to experience world-class entertainment and perform in premier venues, including large theatrical Broadway performances, commercial rock/pop/jazz and country productions, ballets, and operas.

The Southern and Northern Jubilee Auditoria ranked third and fourth respectively for top theatres in Canada based on 2017 ticket sales for commercially recognized tours. World-wide, both retained top 100 positions. The Southern Alberta Jubilee Auditorium ranked 82nd, and the Northern Alberta Jubilee Auditorium ranked 84th.

Alberta's cultural industries also generate significant contribution to the economy. Statistics Canada estimates the GDP contribution of the cultural industries (a sub-sector of the culture sector that includes the audiovisual and interactive media, written and published works, and sound recording industries) to Alberta's economy was \$2.6 billion in 2016. The ministry supports Alberta's screen-based production, book and magazine publishing, sound recording and interactive digital media sectors through the Alberta Media Fund. In October 2017, a new Screen-Based Production Grant was launched to replace the Alberta Production Grant. Program funding was increased to \$48.4 million, enabling the ministry to provide support to more than 100 productions creating new economic opportunities.

The new Screen-based Production Grant is also a response to the Auditor General's

recommendation to improve the management of the fund. This included defining and documenting clear, easy-to-understand criteria for Alberta eligible expenses, communicating program guidelines to stakeholders, enhancing monitoring of grants, and developing a risk assessment framework to prevent program oversubscription. The new criteria ensure the ministry is investing responsibly in areas that will bring the largest economic and cultural benefit to Alberta. While the cultural industries contribution to Alberta's economic diversification may be impacted by external factors such as competition from other jurisdictions to attract talent, and by economic variables that impact investment, the ministry is working closely with stakeholders to build on Alberta's talents and strengths to further grow the cultural industries.

DID YOU KNOW?

In 2017-18, the ministry reintroduced publishing the Archaeological Survey of Alberta Occasional Paper series, which includes research on significant developments in Alberta's archaeology. The survey began managing archaeological sites, research, and mitigation in 1972, with the passing of what is now known as the *Historical Resources Act*. At the same time, it became the official provincial repository for archaeological data, and collects and archives data for use by archaeological researchers, consultants, and other stakeholders.

A growing interest in heritage preservation has created new opportunities for communities to diversify their economies while sharing the stories of Alberta's past. In 2017-18, funding of \$56.5 million helped ensure Albertans and visitors from around the world have continued access to museums, archives and historic resources. This includes investment in heritage preservation and support to Alberta's network of 20 museums and historic sites across the province, including support to the Provincial Archives of Alberta. In 2017-18, through the Alberta Historical Resources Foundation, the ministry provided \$3.6 million to the Glenbow Museum and \$2.1 million to provincial heritage organizations and initiatives that support heritage preservation initiatives across the province.

In 2017-18, the Alberta Biodiversity Monitoring Institute Processing Centre at the Royal Alberta Museum received, identified, and submitted data for approximately 86,000 plant and invertebrate specimens.

Since the processing centre was initiated in 2007, approximately 800,000 specimens have been identified and analyzed, forming the basis for a provincial biodiversity database for land-use management decisions. The ministry continued to undertake surveys on archaeological and palaeontological sites. Thousands of cubic metres of soil, gravel, and bedrock are excavated in Alberta every year through road construction, urban development, mining and other industrial activity. When fossils are exposed during these activities, ministry scientists and industrial workers cooperate to safely excavate and protect Alberta's fossils for scientific study and display.

In 2017-18, \$59.1 million was provided for tourism development and investment attraction, including \$48.1 million to support tourism marketing initiatives through Travel Alberta. Tourism is essential to diversifying the economy as visitor spending impacts the transportation, retail, accommodation, food and beverage, culture, recreation and entertainment industries. Opportunities arising from the current economic climate included a potential boost in international and domestic visitation due to increased air access and the value of the Canadian dollar.

The ministry, through Travel Alberta, executes year-round marketing efforts in targeted markets to drive visitation to, and throughout Alberta. These marketing efforts resulted in strong growth in the number of visitors to Alberta from of the rest of Canada and from international markets. In 2016, Statistics Canada data indicates there were approximately 35 million person-visits to Alberta generating \$8.5 billion in tourism expenditures. These expenditures contribute to Alberta's GDP across many tourism-related industries. In 2017-18, other tourism data like employment in the accommodations and food services sector, receipts for food services and drinking places, numbers of passengers enplaning or deplaning at major airports, and hotel occupancy rates, point toward continued growth in Alberta's tourism sector. Economic indicators like GDP forecasts for 2018-19, and exchange rates also show economic conditions remain positive for tourism with continued opportunities for growth in international and domestic tourism.

The ministry continues to adapt its tourism industry development and marketing priorities

DID YOU KNOW?

In 2017-18, the ministry provided a \$3.3 million cultural infrastructure grant (to a total of \$10 million) to support for the Calgary Zoo expansion. The zoo's new Panda Passage habitat opened to the public in May 2018, and two adult giant pandas and twin cubs arrived at the zoo in March. The project has had a positive impact on the economy with an estimated 200 jobs created throughout construction, and an estimated 40 new zoo-related jobs.

The Panda Passage will help increase tourism and contribute to an important panda conservation program. The Calgary Zoo first housed pandas in 1988 and attracted record numbers of visitors. The new habitat is expected to draw 1.5 million visitors to the zoo in the first year, and generate an additional economic impact of \$18 million.

DID YOU KNOW?

In August 2017, the fifth annual Alberta Open Farm Days broke records in participation, visits and sales. With farm participation up 9.8 per cent from 2016, 101 host farms and ranches held farm tours and culinary events that received more than 20,000 visits. The weekend's experiences and activities included 22 farm-to-table culinary events that helped boost on-farm sales to over \$146,000 – an increase of 8.8 per cent over the previous year's event. Alberta Open Farms Days looks to grow farm-to-fork tourism opportunities and support growth in the local food sectors. This in turn helps support economic diversification and create jobs in the agriculture, tourism and culinary sectors.

to address key opportunities. This year, the ministry focused on destination and seasonal diversification, delivering programs and services to support the growth in communities across the province and during non-peak seasons. New entrepreneur programs were introduced including the Tourism Entrepreneurship Start-up Seminar delivered in several communities throughout Alberta; the pilot of a Tourism Industry Business Retention and Expansion Program; and, the continued delivery of the Visitor Service Innovation Fund for a second year, supporting small visitor information providers across the province.

Travel Alberta continued to work with communities, industry partners, and stakeholders in marketing opportunities through the Cooperative Marketing Program, as well as providing industry with learning opportunities through the Travel Alberta training academy, and tourism business marketing and coaching support.

DID YOU KNOW?

In 2017-18, approximately 100 km of the Great Trail was constructed in Alberta bringing the total off-road trail to 1,993 km (or 66.3 per cent) of the provincial total. The trail passes through 77 of Alberta's cities, towns and villages, 24 rural municipal districts, and several Indigenous communities. It has involved provincial non-profit/voluntary organizations, numerous local volunteer groups, and hundreds of individual volunteers throughout Alberta.

To support development of the Trans Canada Trail (rebranded the Great Trail), the ministry continued to work with Alberta TrailNet, the Trans Canada Trail organization, Indigenous communities and other partners to prepare concept plans, provide design assistance, and assist with funding opportunities. In 2017-18, \$1.9 million was committed to further develop dedicated off-road trails. The Great Trail in Alberta, through four branches, connects British Columbia, Saskatchewan, the Yukon and the Northwest Territories to the rest of Canada. The trail provides recreation and tourism opportunities by connecting regional trails such as the Athabasca Landing Trail to a larger

network of communities, historic resources, and indigenous sites. Eighteen trail openings and celebration events were held in various sections to mark Canada's 150th birthday as part of the larger national celebration across Canada.

The ministry liaises with other ministries, municipal governments and the non-profit/voluntary sector on minimizing roadway connections between dedicated off-road trails, engineered bridge infrastructure, and preserving sensitive historical and environmental resources. Progress in 2017-18 included the installation of three bridges south of the Alberta-Northwest Territories border near Fort Smith, as part of a 27 km portage around the Slave River Rapids, and the completion of the Kananaskis Country's first suspension bridge on the High Rockies Trail. Significant progress was also made on the Fort Augustus Heritage Trail, the Lamoureux Trail, the Wildfong and South Colinton bridges and MRM Bridge in Athabasca as part of the Athabasca Landing Trail (Fort Saskatchewan to Athabasca). Work on these trail connections ensures Albertans and visitors of all skill level can safely navigate the trails and achieve the benefits of physical activity in outdoor settings.

To better support the recreation sector, the ministry supported organizations in numerous activities and opportunities. Input and support was provided including: the establishment of a leadership group to encourage further sector collaboration and cooperation; the development of a Memorandum of Understanding clarifying the relationship between the ministry and the nine post-secondary institutions that comprise the Be Fit for Life Network; expertise and support in the form of ministry representation on the organizing committee of the September 2017 International Play Conference in Calgary; and, ministry representation on the Winter Walk Day committee, with Winter Walk Day 2018 seeing over 134,245 participants across the province.

Through funding, the ministry supported 40 provincial recreation and physical activity organizations with operating grants totalling \$2.7 million. These organizations offer significant value to Albertans' quality of life, supporting recreation and physical activities for over 217,000 members, over 37,000 volunteers, and over 977,000 program participants in Alberta. The ministry also supported 15 recreation and physical activity project grants to a total of approximately \$227,000. These projects supported new recreation and physical activity opportunities for Alberta youth, Indigenous communities, the LGBTQ+ community and women and girls across the province.

DID YOU KNOW?

The ministry conducted the 2017 Alberta Recreation Survey to find out what activities Albertans spend their free time on, and what influences those decisions. Albertans favourite activity was walking, followed by being out in nature and hiking and camping. The survey is the only activity-based survey in Canada to have been conducted over 35 years. The data (as well as data from the past four Alberta Recreation Surveys) is available on the Open Government Portal for researchers, stakeholders, the media, and the public.

The ministry's community development officers continued to assist non-profit/voluntary sector organizations on topics such as stakeholder engagement, strategic planning and governance. They support a broad range of non-profit organizations in the areas of arts, sports, social services, and the environment, in achieving their goals through enhancing their human and financial capacity. In total, the ministry supported 652 projects, delivering 708 workshops to 9,979 Albertans in 2017-18. This included 133 community projects supporting Indigenous peoples, including a medical policy review with Mikisew Cree First Nation; a strategic plan with the organization Reconciliation in Solidarity Edmonton; a project on education and school engagement with Frog Lake First Nations; and, a strategic plan with The Sixties Scoop Indigenous Society of Alberta. In addition, to help take forward ministry key strategies and policies, community development officers provided support in the design and delivery of stakeholder engagement on the French Policy, and the Castle Region Tourism Strategy, as well as the Porcupine Hills-Livingstone Range Recreation Strategy.

The ministry provides secretariat support to the Alberta Nonprofit Voluntary Sector Initiative. In 2017-18, the ministry undertook policy research in the areas of funding and wage data to support these discussions. In 2016, there was a decrease in Albertans' tax filer donations to charities and in corporate sponsorships. While provincial GDP decreased in 2016, estimates indicate growth in 2017, and government forecasts predict growth in 2018 and 2019. It is expected that as the economy recovers, charitable donations will also rebound. The ministry maintained its collaboration with the Ministry of Labour on the inclusion of the non-profit/voluntary sector in the 2017 Alberta Wage and Salary Survey. Sector leaders along with program managers will have access to robust data and information to guide planning and decision-making relative to wage and vacancy levels to help organizational capacity building.

DID YOU KNOW?

The Queen Elizabeth II Golden Jubilee Citizenship Medals award program is operated in partnership between the ministry and the Ministry of Advanced Education. It recognizes outstanding citizenship, leadership, community service and volunteerism. Eight young Albertans received the medal on July 25, 2017, that included a letter of congratulations from the Minister of Culture and Tourism, a cheque and a letter of commendation presented by the Lieutenant Governor.

A revitalized Volunteer Screening Program was launched in January 2017, with a heightened focus on comprehensive screening practices in volunteer engagement programs. The program is a unique partnership funded by the ministry and delivered by Volunteer Alberta. It was redesigned with a strong focus on education to support volunteer screening and management programs through online resources, learning modules, webinars and workshops. Grant funding for the cost of vulnerable sector police checks continued to be available, along with the addition of the Volunteer Screening Development Grant. In 2017-18, over 31,300 vulnerable security checks were processed for volunteers working with vulnerable Albertans.

DID YOU KNOW?

Community non-profit/voluntary organizations are often the owners or operators of Alberta's sport, recreation, arts and culture, newcomer settlement, social, and other community facilities. Every dollar government invests, communities also invest in projects creating local jobs, through construction and renovation, the purchase of goods and services, and many volunteer hours. For example, with the Community Facility Enhancement Program, for every dollar the government invests, communities invest approximately four times the amount into their project.

The ministry provides grants through the Community Facility Enhancement Program, Community Initiatives Program, Major Fairs Program, and the Other Initiatives Program to empower local citizens and community organizations to work together to respond to local needs. In 2017-18, \$33.8 million was distributed to the Community Facility Enhancement Program supporting 396 community projects, \$21.1 million to the Community Initiatives Program supporting 597 community projects, \$15.3 million to the Major Fairs Program to support the Calgary Stampede and Edmonton Northlands, and \$18.3 million to the Other Initiatives Program to support community projects. Funding included assisting community organizations with the hosting of cultural and sport events, purchasing

of equipment, program delivery for food banks and literacy programs, as well as upgrading and renovating community public use facilities.

The ministry also delivers the Enhanced Capacity Advancement Program that distributes multi-year funding to Alberta-based non-profit organizations. The program is intended to help these organizations build the capacity of other non-profit organizations, advance the sector as a whole, and build capacity for effective volunteerism. The intake closed on August 15, 2017, with 10 organizations approved for funding totaling \$1.2 million.

The Canadian government is enabling easier immigration for newcomers with strong French language skills in an effort to support the integration of skilled foreign workers in Canada. French continues to be the second largest language group after English in Alberta, and there are French-speaking Albertans in every region of the province. On June 14, 2017, the ministry adopted the government's first French Policy (Politique en matière de la francophonie) to guide the delivery of services in French and engagement with Alberta's French-speaking population. In 2017-18, \$1.5 million helped support the planning and delivery of French-language services including awarding \$0.9 million in federal funding for organizations and initiatives aimed at contributing to the well-being of francophone families and communities.

According to Statistics Canada, sport events, and sport goods and services contributed approximately \$0.8 billion in GDP to Alberta's economy in 2016. In 2017-18, the ministry provided \$19.5 million to the Alberta Sport Connection to support provincial sport organizations at all levels of sport development in the province, to promote athletic excellence and multi-sport games, and to partner with and fund community initiatives.

In 2017-18, through the Alberta Sport Connection Podium Alberta program, the ministry awarded nearly \$1 million to more than 245 Alberta-based athletes in over 40 sports. Funding helps athletes access high-performance coaching and training opportunities and pursue athletic excellence at the highest levels. Alberta-based athletes who are carded at the national level can receive up to \$6,000 to support them in fulfilling educational goals and allowing improved access to training opportunities, coaching, and sport science practitioners. Since its inception, Podium Alberta has provided financial assistance to 760 athletes, including 266 who competed at the Olympics or Paralympics.

DID YOU KNOW?

Premier Notley and Minister Miranda welcomed the Alberta Olympic and Paralympic athletes in the legislature to celebrate their accomplishments at the 2018 Winter Games in PyeongChang. Alberta sent 66 athletes to the games in South Korea. Canada's Olympians and Paralympians brought home a combined total of 57 medals with 31 of those medals won by athletes who live and train in Alberta.

The ministry participated in the International Olympic Committee's Official Observer Program at the 2018 Winter Olympic Games in PyeongChang, South Korea. The mission was in support of the City of Calgary's exploration of a potential bid to host the 2026 Winter Olympic and Paralympic Games. The program provided key insights into the potential commitment required by both the City of Calgary and the province should the bid be successful. The Minister of Culture and Tourism met with key tourism and airline stakeholders in Seoul and Gangneung promoting tourism, trade and investment, as well as supporting the Travel Alberta and Canada Beef promotional event. The ministry has committed \$10 million to the City of Calgary for the further exploration of the bid for 2026 Winter Olympic and Paralympic Games.

The Alberta Sport Connection worked with the Indigenous Sport Council to prepare and select an Alberta Team to travel to the North American Games in Toronto, in July 2017. This support helped 393 athletes, coaches and support volunteers participate in 11 sport activities from archery to volleyball.

The Alberta Sport Connection coordinated Team Alberta's participation in the 2017 Canada Summer Games, in July and August 2017, in Winnipeg, Manitoba. Team Alberta, comprised of 437 athletes, coaches, managers, team support staff and mission staff representing 72 Alberta communities, competing in 17 sports, finished fourth in the overall medal standings.

The Alberta Sport Connection also coordinated the Alberta Winter Games in partnership with the host community, providing opportunities for Albertans 11 to 17 years of age to compete in a province-wide winter sport competition. In February 2018, approximately 2,200 participants, their families and spectators attended the games in the Regional Municipality of Wood Buffalo. The games featured a wide variety of sports including: skiing, hockey, biathlon, curling, speed skating, synchronized swimming, fencing, artistic gymnastics, and volleyball. Participants qualify for

DID YOU KNOW?

The Alberta Sport Connection coordinated Team Alberta North's involvement in the Arctic Winter Games, an international circumpolar sport competition for northern and arctic athletes. The games provide opportunities to strengthen sport development, promote the benefits of sport, and promote culture and values. The 2018 Arctic Winter Games were held in Hay River and Fort Smith, Northwest Territories, in March 2018. Alberta was represented by 237 athletes, coaches, cultural participants and mission staff, representing 36 Alberta communities north of the 55th parallel. Team Alberta North topped the medal standings for the first time in the history of the games.

DID YOU KNOW?

The Rose City Curling Club received funding support of \$125,000 from the ministry's Major Cultural and Sport Event Program to host the Pinty's Grand Slam of Curling 2018 Meridian Canadian Open in January 2018, in Camrose, Alberta.

The open is one of seven events that features the 16 top ranked Women's and Men's curling teams that are invited based on the total points they have in the World Curling Tour Order of Merit Team Ranking System. Over 200 athletes, coaches, and officials and 20,000 spectators attended this international curling competition. An event of this magnitude is estimated to provide an economic impact of \$1.5 million, as well as generate national and international television and media coverage.

the games in zone playoffs held for each sport. Support is provided through operating grants and a cultural grant to the host community. For the 2018 games, the ministry provided an operating grant of \$370,000 (administered between 2015-16 and 2016-17), and \$70,000 through a cultural grant in 2017-18. A further \$50,000 legacy grant was also provided to the host community to support facility improvements and other supports to further encourage sport participation and active living in the community. The Alberta Games generate approximately \$3 million in economic activity for host communities.

Alberta's culture and tourism sectors contribute to the cultural, social and economic well-being of communities across the province making life better for Albertans. The initiatives and strategies developed by the ministry identify a strategic approach to ongoing support for culture and tourism sectors to foster a competitive and sustainable sector with the ongoing effort to ensure Alberta's economic opportunities are not overlooked.

Outcome One

Vibrant communities and diverse cultural opportunities enhance Albertans' quality of life

Overview

The ministry provides access to Alberta's heritage through its network of provincial heritage facilities. These facilities collect, exhibit, research, interpret and preserve Alberta's heritage. It administers the *Historical Resources Act*, which empowers the province and municipalities to protect significant historic places through special designation, and establishes the Alberta Historical Resources Foundation that provides assistance for community-based heritage initiatives across the province. The ministry regulates potential impacts to historic buildings, archaeological and palaeontological sites, and Indigenous traditional use sites. It provides advice and financial support to conserve historic sites, cultural artifacts and archival records. It also leads the Government of Alberta's commitment to repatriate sacred ceremonial objects in provincial collections to First Nations.

To encourage and promote engaged and inclusive communities, the ministry works to strengthen the capacity of Alberta's non-profit/voluntary sector by providing financial support through grant programs and facilitation, consultation, and skill development services to community organizations, networks, and government entities. The ministry supports the efforts of artists and arts organizations in their quest for excellence. The ministry works towards a more active Alberta by assisting partners in recreation, physical activity, and sport sectors, in planning and evaluating programs, research and policy initiatives.

The ministry also administers the 2013-18 Canada-Alberta Agreement on French Language Services, supporting ministries and agencies across government, and communities to enhance, develop and deliver services in French.

Results

1.1 In partnership with Indigenous Relations, address recommendations in the Truth and Reconciliation Commission Report and the United Nations Declaration on the Rights of Indigenous Peoples through repatriating sacred ceremonial objects held in Crown-owned collections.

Repatriation of sacred ceremonial objects held in Crown-owned collections is an ongoing multi-year goal of the ministry that contributes to reconciliation between Indigenous and non-Indigenous Albertans. The *First Nations Sacred Ceremonial Objects Repatriation Act* applies to collections at the Royal Alberta Museum and the Glenbow Museum. The purpose of the Act is to place sacred ceremonial objects that are vital to the practice of traditional ceremonies back into active use. In 2017-18, the ministry engaged with Indigenous communities to determine the next steps for expanding government's capacity for repatriating sacred ceremonial objects.

DID YOU KNOW?

The ministry, through Alberta Sport Connection and the Alberta Foundation for the Arts, partnered with the Ministry of Indigenous Relations, the Royal Canadian Mounted Police, Indigenous communities, and program sponsors to provide Indigenous youth aged 9 to 25 years with new experiences, positive role models, and opportunities to build confidence, overcome barriers, and realize potential through sport, recreation, arts, and cultural experiences. In 2017-18, more than 360 youth participated in the Alberta's Future Leaders Program, delivering an estimated 1,450 program hours in nine Indigenous communities.

Under the current regulation, engagement continued with Blackfoot First Nations. The ministry also established contact with other First Nation communities in Alberta and Saskatchewan where sacred ceremonial objects originated, initiating dialogue to identify items that could be repatriated and to determine processes and protocols for their return.

As part of the government's commitment to implementing the principles and objectives of the United Nations Declaration on the Rights of Indigenous peoples, the ministry is developing a formal framework to address the discovery and management of Indigenous human remains uncovered in the course of development. The disturbance of historical or unregistered Indigenous burials is an issue in Alberta, as there are many "unregistered" burial sites across

the province, on both Crown and private lands. A cross-ministry team was established and preliminary engagements with Indigenous communities occurred.

1.2 Work with Infrastructure to complete the development of the new Royal Alberta Museum and to expand the Royal Tyrrell Museum of Palaeontology.

The new Royal Alberta Museum is anticipated to open in 2018. Opening the new building depends on concluding building details in partnership with the Ministry of Infrastructure, as well as installing furniture, fixtures, equipment, and nearly 400 exhibits and their associated objects and media. Ministry staff continue to move collections to the new facility to ensure their continued care. As of March 31, 2018, 2,650 objects were installed in the Alberta History Hall and approximately 975,000 objects relocated to the new museum.

The cost of the new museum, which includes construction of the facility, gallery and exhibit development, and ancillary sites (i.e., the Acheson Collection Centre and exhibit production shop), was estimated at \$375.5 million, with \$253.0 million provided by the province and \$122.5 million provided by the

Government of Canada. The project remains within budget and the museum, with 419,000 square feet, including 84,000 square feet of exhibition space, will be the largest museum building in western Canada.

DID YOU KNOW?

The Royal Tyrrell Museum of Palaeontology's new armoured dinosaur *Borealopelta markmitchelli* was discovered in northern Alberta. Scientists from the museum have been working on the dinosaur since its discovery and the research made this one of the top fossil discoveries internationally in 2017. This research included ascertaining how a dinosaur's armour of bony spikes and scutes would align and change along the body, as well as publishing in great detail on the dinosaur's patterns and colours.

The Royal Tyrrell Museum of Palaeontology expansion is a \$9.3 million investment, including \$5.7 million from the Government of Alberta and \$3.6 million from the Government of Canada. The 1,300-square-metre expansion will permanently increase the museum's capacity to deliver educational programming (including distance-learning), enhance visitor programs and services, as well as museum facilities. In the past year, major steel work was

completed and work on the exhibit hall on target. The expected completion and opening of the museum expansion is spring 2019.

In 2017-18, capital project funding of \$39.5 million also was confirmed for a new collections facility at Reynolds-Alberta Museum in Wetaskiwin. The museum interprets the impact of technological change in transportation, aviation, agriculture and industry from the 1890s to the present, and contains more than 6,400 artifacts, including a wide variety of vintage automobiles, trucks, motorcycles, bicycles, aircraft, tractors, agricultural implements and industrial equipment. The project will construct a major new collections facility, and expand the museums ability to protect and preserve artifacts. During the year, ministry staff started planning the new collections facility, and an architectural design consultant was chosen.

In addition, the museum also acquired three aircraft with a combined value of over \$1.1 million, and 170 historic military motorcycles and vehicles with a combined value of over \$1.3 million.

1.3 Work with government partners to promote the environmental benefits of preserving and reusing historic buildings, where appropriate, and explore other measures to support such preservation and reuse.

In 2017-18, the ministry worked closely with other ministries, as well as federal, provincial, and territorial counterparts, to research and promote the environmental benefits of heritage conservation. The ministry continues to explore how best to support heritage conservation through provincial programs, and how best to advocate for federal incentives that would promote the preservation and adaptive reuse of historic buildings.

1.4 Provide additional funding for artists and arts organizations to support greater access, excellence and sustainability for the arts in Alberta, and lead the provincial role in Canada's 150th anniversary.

The ministry, through the Alberta Foundation for the Arts, helps ensure Albertans experience the province's culture and creativity. Funding was increased in 2017-18, for a number of programs, including the Arts Presenting Program, Community Support Organizations Program, and the Artists and Education Program. The ministry's focus involves supporting arts that encourage excellence, provide public access, build capacity, and strive for sustainability.

The Arts Presenting Program and Community Support Organizations Program enable arts organizations and communities to bring performing artists and musicians for events and facilitate arts programming. The ministry increased the amount of grant payments for these two programs by approximately \$600,000 to \$5.0 million. The Artists and Education grant stream, which provides opportunities for students through school residencies and curriculum-based arts experiences, also increased the amount of grant payments by approximately \$500,000 to nearly \$1.0 million.

DID YOU KNOW?

The ministry's community development officers provided a total of 61 community projects supporting the arts in Alberta. Examples include: a strategic plan with Arts Council Wood Buffalo; a goal setting workshop with the Empress Theatre Society; and, a volunteer recruitment session with the Arden Theatre in St. Albert.

In 2017-18, the foundation undertook an in-depth strategic planning process and will be releasing its new strategic plan in the fall of 2018. Funding for 2018-19 was maintained at \$31.5 million, nearly its

DID YOU KNOW?

In June 2017, the ministry announced recipients of the \$2,500 Young Artist Prizes. Artists were nominated by influential Alberta artists as part of a one-time funding opportunity to commemorate the foundation's 25th Anniversary.

Each of these emerging artists has already made an impact on their community and are on their way to honing their craft to become the next generation of influential artists.

highest point in 10 years. While economic conditions continue to improve in Alberta, the foundation is aware of the difficulties artists and arts organizations have faced in recent years. Alberta's investment will help sustain and grow the sector, and ensure Albertans and visitors can experience and enjoy the vibrancy of Alberta culture and creativity.

Canada's 150th anniversary of confederation presented a unique opportunity for Albertans to join all Canadians recognizing the milestone. The Alberta Canada 150 grant was provided through the Community Initiatives Program providing \$2.0 million during 2016-17 and 2017-18. Ministry staff reviewed 699 grant

applications over a 10 month period and 100 applications were funded. Funding by the foundation also supported several public art projects that commemorate Canada 150, such as the creation of 12 murals depicting Métis history and cultural themes as part of the Hivernant Métis Society in Big Valley Alberta; the creation of a Cree Dictionary art picture book to be shared with elementary school libraries through the iHuman Youth Society; and, a series of five original landmark sculptures for the Capital Boulevard Canada 150 Legacy Project to be displayed in downtown Edmonton to commemorate the year and the history of Edmonton's Capital Boulevard.

1.5 Collaborate with government departments, agencies, boards and commissions as well as francophone community stakeholders to develop and implement a French-language Policy for Alberta to guide the delivery of government services in French.

On June 14, 2017, the government announced Alberta's first French Policy to guide the delivery of services in French and engagement with Alberta's French-speaking population. As part of the implementation of the policy, the Franco-Albertan flag was designated as a Symbol of Distinction under the *Emblems of Alberta Act*, and a provincial advisory council on the Francophonie was established to advise the Minister of Culture and Tourism on the implementation of the policy. In addition, the policy commits ministries to developing and publishing multi-year action plans to support the French Policy's implementation across government within available resources. While a number of services and supports were already available in French in Alberta, the province was one of two jurisdictions in Canada without a comprehensive policy or legislative framework concerning government's approach to services and supports to French-speaking citizens. Although Alberta is in the early stages of implementing this policy, the ministry has made significant first steps.

DID YOU KNOW?

Alberta Francophonie Month complements the annual Rendez-vous de la Francophonie celebrations taking place across Canada from March 1-21. The month-long celebration kicked off with Francophone students participating in flag-raising events in Edmonton and Calgary.

The French Policy implementation, led by the Francophone Secretariat, is supported by ongoing liaison with francophone community stakeholders and a cross-government Assistant Deputy Minister Committee. Since November 2017, the ministry has engaged in multilateral and bilateral negotiations for a renewed Canada-Alberta Agreement on French-language services, where additional federal funding may enable greater impact and reach as part of the

implementation of Alberta's French Policy.

In 2017-18, the ministry successfully secured \$278,500 in additional federal funding to support expanded francophone parent link centre services, to assist with the development of ministry multi-year action plans, and to enhance translation capacity within the Francophone Secretariat.

1.6 Further the Framework for Recreation in Canada at the community level through implementation of the Municipal Recreation Engagement Strategy, revise funding models to support stakeholders, and develop revenue generating options to support provincial sport initiatives.

The Municipal Recreation Engagement Strategy is a joint initiative of the ministry and the Alberta Recreation and Parks Association. The strategy implements the outcomes of the Framework for Recreation in Canada and an active Alberta, at the local level throughout the province. Initiatives focus on creating benefits for the recreation sector through the overarching pillars of awareness, education, relationship building, knowledge sharing, policy influence, and monitoring. To increase awareness of the outcomes, a package of tools and resources were developed for municipalities or organizations who wished to formally endorse these initiatives. Visual resources were also developed to improve awareness of the contribution government makes to Alberta's recreation sector. Education opportunities on the outcomes of the framework and a more active Alberta were also provided to strengthen and build the capacity of the recreation sector.

The ministry's Energize Workshop is a networking forum for officials responsible for recreation at the community level and is held in conjunction with the annual Alberta Recreation and Parks Association Conference in October 2017. The workshop included many sessions on topics such as inter-municipal collaboration frameworks, policy connections to local practice, and rural recreation issues. Evaluation of the sessions indicated they were well received and provided good support information.

Building on the first-hand knowledge gathered from recreation practitioners who experienced natural disasters or who have supported evacuees from other communities, information was integrated with international research and leading practices to develop the Building on the Basics Report and Resource Guide for municipalities. The report summarizes what was learned, while the resource guide is a compilation of strategies, tools, and resources to assist communities to build recreation into disaster response and recovery plans. These documents were shared with other Canadian jurisdictions at the July 2017 meeting of Federal-Provincial/Territorial Ministers responsible for Sport, Physical Activity and Recreation at the Canada Summer Games in Winnipeg. A session on the resource guide and considerations for planning recreation opportunities in emergency response and recovery situations was also presented at the annual Alberta Recreation and Parks Association Conference.

Sedentary professions, lifestyles and behaviours create obstacles to maintaining healthy physical activity behaviours, and reduced physical inactivity is now identified as the fourth leading risk factor for global mortality. In Alberta, 93 per cent of people agree that physical activity will keep them healthy, yet less than 60 per cent meet the minimum guidelines. The ministry continued to engage in the development of the pan-Canadian physical activity framework entitled the Common Vision for Increasing Physical Activity and Reducing Sedentary Behaviour. In 2017-18, work included enhancing the framework to further reflect Indigenous perspectives. Work continues at the national, provincial, and territorial levels with the goal of releasing the framework in 2018-19. Continued engagement of non-traditional sectors whose policies effect physical activity and sedentary behaviour such as education, transportation, labour, and infrastructure, will also be undertaken. The Common Vision will be a resource for all orders of government, organizations, and leaders that have an interest in

DID YOU KNOW?

The creation of a pan-Canadian Common Vision for Increasing Physical Activity and Reducing Sedentary Behaviour emphasizes that physical activity is not only the sports we play and how we spend our leisure time; but from the moment we get out of bed, to how we spend time at home or school, to how we move around our communities. Further, it is vital to recognize the importance of understanding people's motivations to engage in physical activity (e.g., competition, socializing, relaxing, health), as these motivations can change from activity to activity, with age, and with new stages in life.

Through the national consultations, approximately 250 Alberta stakeholders were engaged in the creation of the common vision including members of the public and professionals from a variety of sectors (i.e., education, health, community planners, academics, non-profit organizations, private businesses and municipalities).

Sportswear and Awards, Global, National Motor Coach, RBC, Alberta Milk, Rosenau Transport, TAG Advertising, and Jumpstart). The Alberta Sport Connection administers the donation program to support the efforts of provincial sport organizations to raise their own funds to support programs and services.

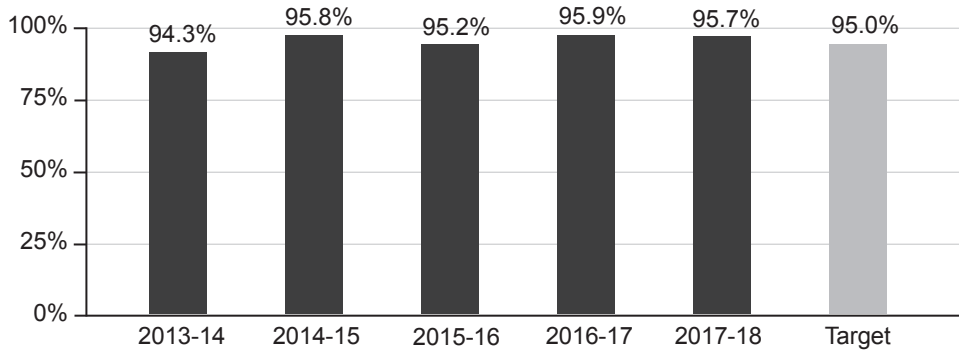
promoting and supporting physical activity from the neighbourhood to the national level. It is applicable for the sport, physical activity and recreation sectors, and also for those sectors that impact physical activity and sedentary behavior directly or indirectly, such as the education, transportation and labour sectors.

In 2017-18, the ministry, through the Alberta Sport Connection, developed a new funding and accountability framework as part of the Alberta Sport Action Plan. The framework, developed through a two-year stakeholder consultation and engagement process, was created to adapt to the changing needs of Albertans, help sport systems improve, and assist provincial sport organizations to accomplish shared goals. The new funding allocations represent a redistribution of current funding levels within the Association Development Program, and will be based on a three-year funding cycle.

The Alberta Sport Connection also pursued corporate sponsorships, donations, and endowments through on-going marketing efforts with nine corporate sponsors to support provincial sport initiatives and increase awareness of the Alberta Sport Connection brand (ATCO, Elite

Performance Measure

1.a Percentage of facilitation participants who are able to apply/use the results from the services



Source: Client Satisfaction Survey, Customer Service Information System

Description

This measure indicates the percentage of clients who are able to apply/use the results from the ministry's customized capacity-building facilitation workshops in order to enhance the work of non-profit/voluntary sector organizations.

Results

The result of 95.7 per cent was 0.7 per cent higher than the 2017-18 target of 95.0 per cent and 0.2 per cent lower than the 2016-17 result.

Analysis

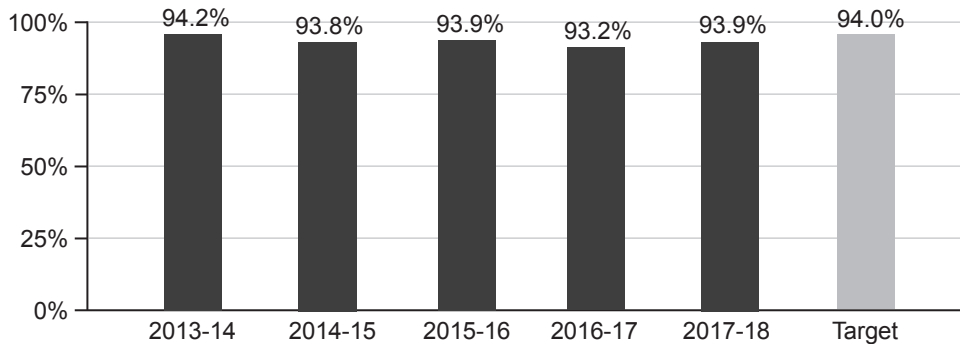
Results are based on 304 facilitation-specific sessions and are affected by a steady and high demand for facilitation services and training workshops that help community organizations and government address issues and develop organizational and board capacity. The ministry's focus on customizing these services and workshops to meet the needs of the client is the driving factor behind the high results.

This client focus is further demonstrated through results from sessions and workshops on varying topics including facilitation, public participation, and skill development. In 2017-18, 94.9 per cent of clients indicated that their knowledge of the subject matter increased, 96.3 per cent indicated they gained insight into the subject matter, and 93.3 per cent indicated they were confident in their ability to apply what they had learned about the subject matter. Overall, 97.8 per cent of all clients were satisfied with the services provided by the ministry.

In 2017-18, the ministry provided a broad range of capacity-building services and workshops to rural and urban non-profit and voluntary sector organizations and government organizations, with 652 projects supported. These services and workshops are accessible to organizations anywhere in Alberta.

Performance Measure

1.b Percentage of adult Albertans who feel that historical resources in Alberta communities are important in contributing to the overall quality of life in Alberta



Source: Survey of Albertans on Culture and Tourism

Description

This measure reflects Albertans' views toward historical resources including museums, archives, historic sites and interpretive centres. It relates to the ministry's efforts to promote, preserve and present Alberta's heritage.

Results

The result of 93.9 per cent essentially met the 2017-18 target of 94.0 per cent, and remains high and consistent with previous results.

Analysis

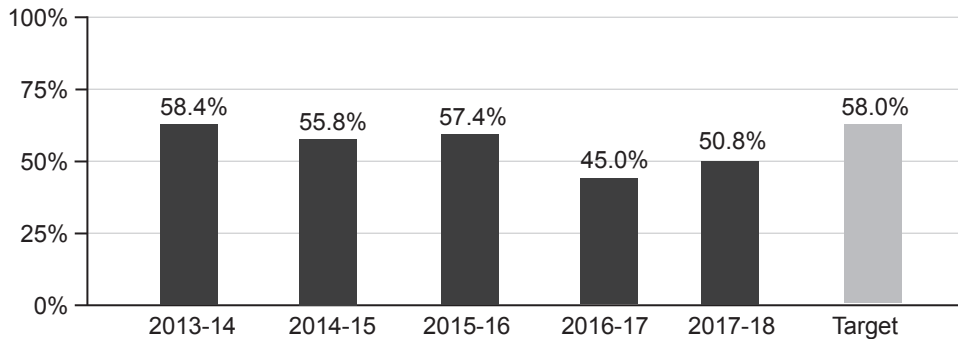
When previously asked about the potential benefits of Alberta's historical resources and heritage facilities, more than nine in ten Albertans responded that education and lifelong learning experiences are important to them; that historical resources are important in providing recreational opportunities, generating visitor spending in local communities; and that preserving Alberta's heritage resources was important.

The ministry operates a network of museums, historic sites and interpretive centres across Alberta, from Historic Dunvegan near Fairview, telling the story of Indigenous peoples, the fur trade and missionaries, to Frank Slide Interpretive Centre, the Remington Carriage Museum and Head-Smashed-In Buffalo Jump UNESCO World Heritage site, along with the Provincial Archives of Alberta in Edmonton. These sites illuminate people, places, and events that have shaped Alberta. In addition, the ministry works with communities to protect buildings and sites that represent Alberta's historic landscape, while adding vitality and interest to these communities. There are over 375 designated Provincial Historic Resources in Alberta. By providing matching conservation grants to owners of designated properties, the Alberta Historical Resources Foundation assists in the preservation of these resources and ensures that they continue to play active roles in their communities as attractions and as residential or commercial properties.

In 2017-18, the government celebrated the inaugural Ukrainian-Canadian Heritage Day on September 7, to commemorate the contributions of the Ukrainian community in Alberta over the past 125 years. Alberta's cultural links to its Ukrainian heritage are shared through performance groups, educational programming, and historical preservation like the ministry's Ukrainian Cultural Heritage Village, an open-air museum where the life of early Ukrainian pioneers is recreated.

Performance Measure

1.c Percentage of adult Albertans who visited a heritage facility in Alberta



Source: Survey of Albertans on Culture and Tourism

Description

This measure provides an indication of how many Albertans visited a heritage facility in Alberta in the past year. Heritage facilities are not limited to those operated by the ministry, i.e., includes federal, provincial, municipal and non-profit facilities. The results also do not reflect multiple visits made to heritage sites and facilities in a given year, as one individual may visit multiple sites or may visit a site multiple times.

Results

The result of 50.8 per cent was 7.2 per cent lower than the 2017-18 target of 58.0 per cent, but 5.8 per cent higher than the 2016-17 result.

Analysis

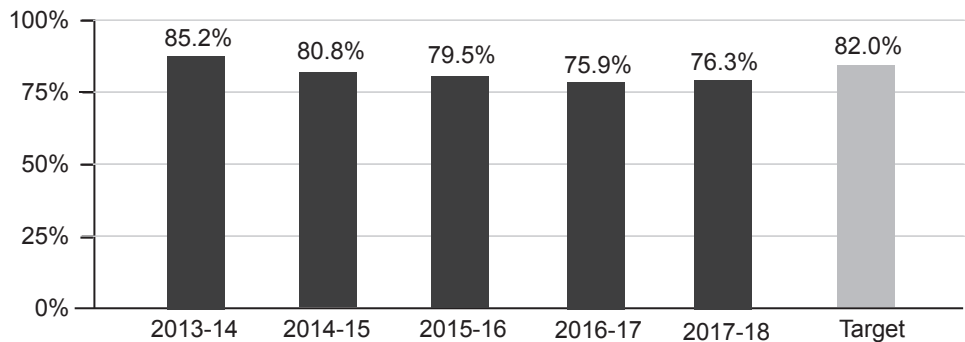
Fewer Albertans indicated they visited a heritage facility in Alberta over the past couple of years compared to previous years. The Royal Alberta Museum's closure in 2016-17 and 2017-18 contributed to the lower results, as the museum accounts for a significant number of visitors from the Edmonton region (and from other parts of the province). The results for the last two years may also have been impacted by the re-ordering of the survey questionnaire in 2016-17, impacting respondents' recall about their visitation. Previously, heritage questions were in a dedicated survey section. The survey was restructured to improve the flow of questions, decrease survey length, and align similar questions relating to attendance, participation, and impact on quality of life. In 2017-18, a dedicated survey section was used again and this may partly explain the change observed between 2017 and 2018.

When previously asked to list the many reasons for their visit, Albertans responded it was out of curiosity and pleasure, educational purposes, and a result of a special interest in history. Albertans also felt it provided a good family activity and an opportunity to show Alberta's heritage to their children.

In 2017-18, attendance at provincially-operated museums, interpretive centers, and historic sites was strong and increased by 3.4 per cent to 821,344 visits.

Performance Measure

1.d Percentage of adult Albertans who attended arts activities or events



Source: Survey of Albertans on Culture and Tourism

Description

This measure indicates adult Albertans' attendance in activities such as festivals and live performances (e.g., music, theatre or dance), taking an arts course or visiting an exhibition or gallery.

Results

The result of 76.3 per cent was 5.7 per cent lower than the 2017-18 target, but 0.4 per cent higher than the 2016-17 result.

Analysis

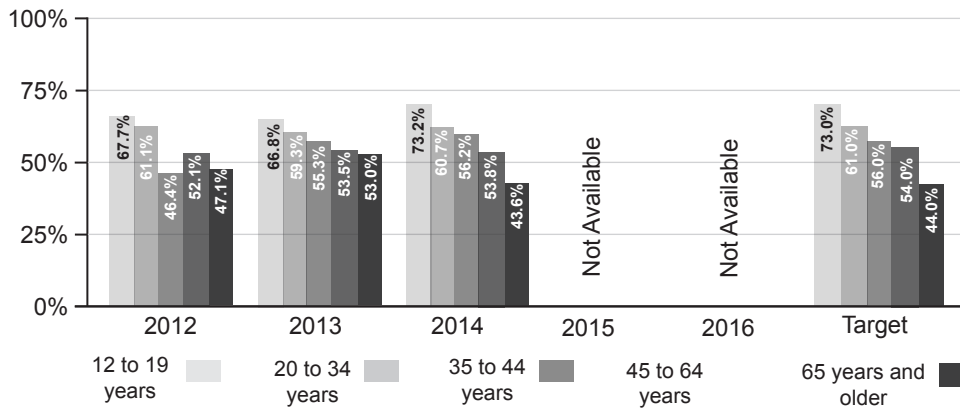
Canada 150 celebrations may have contributed to the slight increase over the 2016-17 result. However, the result was below target and may have been impacted by reduced discretionary spending and economic conditions. The results demonstrate that in tough economic times many Albertans continue to be supporters of the arts.

The ministry, through the Alberta Foundation of the Arts, provides funding to artists and non-profit arts organizations to facilitate access to arts events and activities throughout Alberta impacting results. In 2017-18, \$25.5 million in grants were provided, with 88 per cent of the funding going to 781 organizations, and 12 per cent to 337 individual artists to support their activities.

This year also marked the second year of the Major Arts Presenting operating funding stream. The grant stream was created to bring professional arts presenters in line with funding provided to other professional arts organizations. Grants were provided to organizations such as the Edmonton Folk Music Festival and the Calgary International Film Festival, with \$1.6 million awarded to 13 organizations to support the role they play in Alberta's arts ecosystem.

Performance Measure

1.e Percentage of Albertans who are active or moderately active in their leisure time



Source: Statistics Canada, Canadian Community Health Survey

Description

This measure shows the percentage of Albertans who are active or moderately active in their leisure time. Albertans were asked if they had participated in a recreational activity such as walking or riding a bike. Results were based on a combination of questions related to the type, frequency, and duration of each of the identified activities.

Results

The 2015 and 2016 results are not available due to a survey redesign by Statistics Canada. The removal of this question from the survey means the ministry will no longer be able to report on this performance measure. A new performance measure has been developed for the ministry's 2018-21 business plan on Albertans' participation in organized sport.

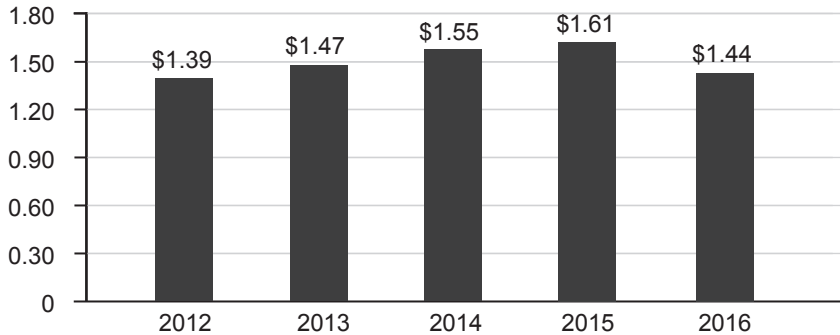
Analysis

While Statistics Canada no longer reports physical activity based on the type, frequency, and duration of activities, they introduced a question on self-reported physical activity. While the data is not directly comparable to previous performance measure results, data for 2016 indicate that 59.6 per cent of adult Albertans (i.e., those 18 years and over) self-reported physical activity averaging 150 minutes per week, while 59.3 per cent of youth (i.e., those 12 to 17 years) self-reported physical activity averaging 60 minutes per day.

The ministry works with recreation partners, active living, and sport organizations to provide opportunities for all Albertans to enjoy active, healthy lifestyles, and supports projects that include programming for Indigenous communities, increasing access for women and girls, and programming for Alberta children and youth in institutional settings such as schools and after school care facilities. The ministry continues to work with municipalities, the primary delivery agents of recreation and physical activity programming in the province, through the Municipal Recreation Engagement Strategy, advancing toward an active Alberta and the outcomes of the Framework for Recreation in Canada at the local level. The Alberta Sport Plan also continues to guide decisions related to amateur and organized sports in the province.

Performance Indicator

1.a Total charitable donations from Albertans (\$ billions)



Source: Statistics Canada, Charitable Donations

Note: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no targets are presented.

Description

This indicator identifies the total tax filer donations by Albertans to registered charities. Due to the time lag in receiving data from Statistics Canada, results are for 2016.

Results

The 2016 result of \$1.44 billion is \$0.17 billion or 10.7 per cent lower than the 2015 result.

Analysis

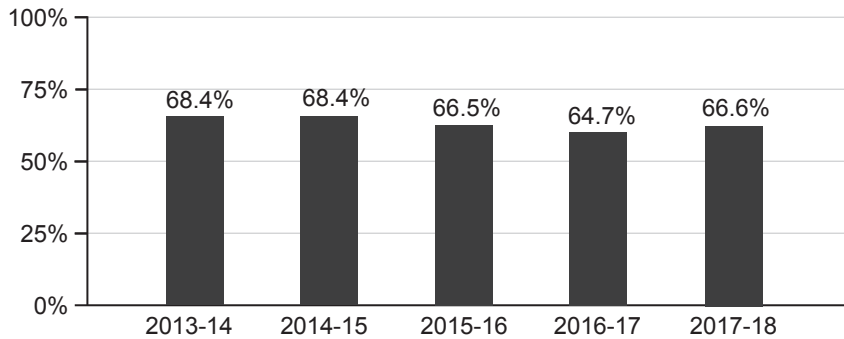
In terms of the proportion of tax filers donating in 2016, 21.1 per cent of Albertans claimed a donation, the fifth highest percentage out of the provinces and higher than the Canadian average of 20.5 per cent. In Alberta, approximately three per cent of those aged 24 years and under donated to a registered charity, approximately 15 per cent aged 25 to 34 donated, and approximately 21 per cent of tax filers aged 35 and over donated. While the number of tax filers in Alberta increased in 2016, the actual number donating decreased—a trend observed in all provinces.

In terms of median donations, Alberta ranked first among the provinces donating \$470; meaning half of total donations from individuals in 2016 were above \$470, and half below. The median donation in Canada in 2016 was \$300. By region, donors from the Lacombe area had the highest percentage of tax filers in Alberta, at 25.5 per cent, and the highest median donation at \$970.

Factors influencing the results include federal and provincial charitable tax credits, promotion of the importance of giving and donating, and the amount of disposable income Albertans have to give. Major natural disasters, social issues, and economic issues like unemployment also impact results and the number of people donating and/or the value of their donations.

Performance Indicator

1.b Percentage of adult Albertans who agree that overall historical resources are being adequately protected and preserved in Alberta communities



Source: Survey of Albertans on Culture and Tourism

Note: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no targets are presented.

Description

This indicator assesses how well Albertans perceive the province's historical resources are being preserved and protected. Albertans were asked to think about the government's role as the steward and custodian of historical resources, particularly with respect to historical buildings and archaeological and fossil resources.

Results

The result of 66.6 per cent is 1.9 per cent higher than the 2016-17 result. Results over the last five years have been consistent, fluctuating between 68.4 per cent in both 2013-14 and 2014-15 and 64.7 per cent in 2016-17.

Analysis

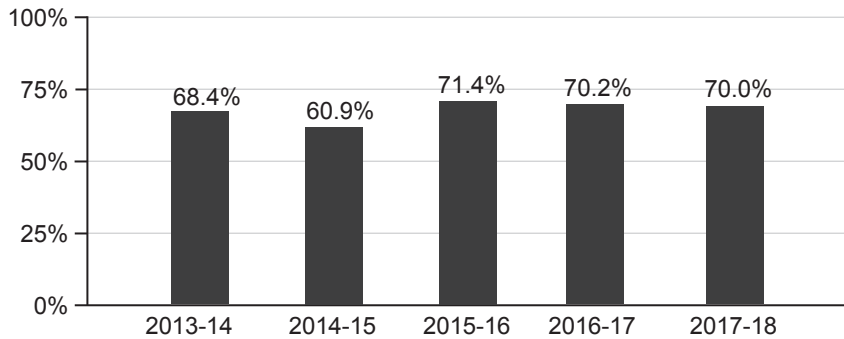
A number of factors impact results including Albertans' awareness of the protection and preservation activities carried out by the ministry and by other heritage organizations in the province. Awareness of protection and preservation activities undertaken in other jurisdictions and in other countries also impacts results.

In 2017-18, 20.5 per cent of Albertans strongly agreed that historical resources are being adequately protected and preserved in Alberta communities, an increase of 3.8 per cent compared to 2016-17. Albertans who were not born in Alberta and those who were not born in Canada were more likely to strongly agree with this statement.

The ministry, through the Alberta Historical Resources Foundation's Heritage Preservation Partnership Program, awarded \$2.5 million in grants in 2017-18. This funding supported a wider range of projects on Indigenous heritage, including: the production and installation of a monument commemorating four children who died during an influenza epidemic at the Red Deer Industrial School in 1918; Cold Lake First Nation's research on Indigenous Perspectives on Lumbering Activities in the Cold Region; and, Alexis Nakota Sioux Nation's project to repatriate artifacts affiliated with their community from the Smithsonian Institution.

Performance Indicator

1.c Percentage of adult Albertans who volunteered with organizations in their community



Source: Survey of Albertans on Culture and Tourism

Note: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no targets are presented.

Description

This indicator identifies the level of community volunteerism with charitable or non-profit/voluntary sector organizations in a given year and the percentage of adult Albertans who made an unpaid contribution of time, energy and/or talents.

Results

The result of 70.0 per cent was 0.2 per cent lower than the 2016-17 result of 70.2 per cent.

Analysis

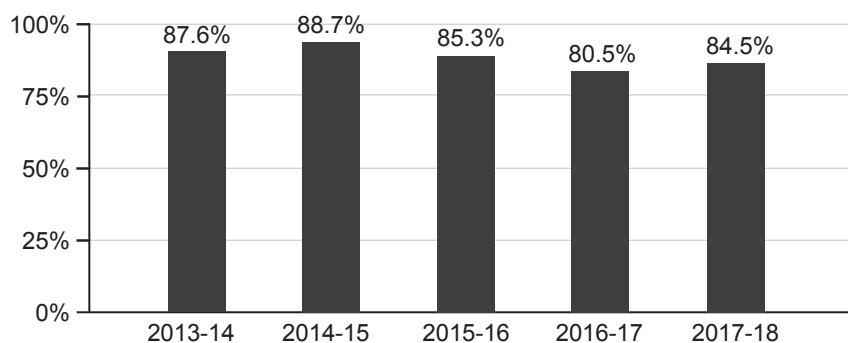
In 2017-18, 30.3 per cent of respondents reported volunteering in human services (e.g., food bank), 28.5 per cent as a board member of a non-profit, 24.4 per cent in sports, 23.2 per cent in recreation, 23.0 per cent in youth development, 16.9 per cent in regards to the environment, 16.5 per cent in arts and cultural areas, 9.7 per cent in law, advocacy or politics, 4.1 per cent in libraries, and 23.7 per cent in other types of volunteer work (e.g., animal rescue). Results also show that of those Albertans who volunteer, 50.7 per cent volunteer six hours or more per month. Of those who do not volunteer, the primary barrier was lack of time followed by disability or health problems (including age). The volunteerism rate is also influenced by factors such as supporting local events (e.g., festivals) or significant needs in the community, the economy, the labour market, and an aging population.

The ministry, through funding provided to Volunteer Alberta, supported Alberta's communities to celebrate and raise awareness of the value and contributions of Alberta's volunteers during National Volunteer Week in March 2017. Events were held benefitting 112 communities across Alberta.

The Minister of Culture and Tourism presented the annual Stars of Alberta Volunteer Awards to recognize the extraordinary Albertans whose volunteer efforts have contributed to the well-being of their community and fellow community members. Six awards were announced on December 5, 2017, in conjunction with International Volunteer Day, two in each category of youth, adult, and senior.

Performance Indicator

1.d Percentage of adult Albertans who feel arts activities are important in contributing to the overall quality of life in their community



Source: Survey of Albertans on Culture and Tourism

Note: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no targets are presented.

Description

This measure reflects Albertans' perception of the value of arts activities and their contribution to quality of life in their community.

Results

The result of 84.5 per cent was 4.0 per cent higher than the 2016-17 result of 80.5 per cent.

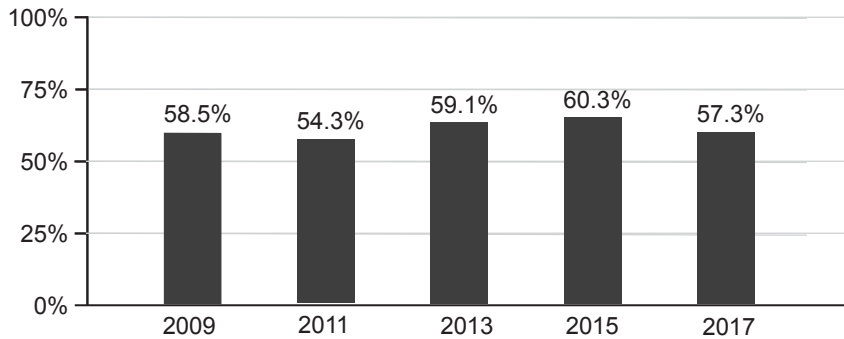
Analysis

In 2017-18, the majority of Albertans considered arts activities to be an important contributor to their quality of life, including 41.6 per cent that indicated that arts activities were very important. A number of factors shape an individual's relationship to arts activities and perception of the personal benefit of the arts. Arts participation is motivated by educational, social, aesthetic, emotional and cultural benefits. There are a number of barriers to participation in the arts including historical cultural exclusion, lack of encouragement from family members or social networks, work, family and leisure balance, levels of disposable income, and structural impediments (e.g., time, transportation, financial).

Ministry funding for arts organizations and individual artists provide opportunities for Albertans to participate in arts activities. By providing operating grants to non-profit organizations that coordinate arts events and projects, the ministry impacts Albertans' perceptions of how the arts contribute to their quality of life.

Performance Indicator

1.e Percentage of adult Albertans who are physically active enough to experience health benefits



Source: Alberta Survey on Physical Activity

Note: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no target is presented.

Description

This indicator measures the percentage of adult Albertans physically active enough to experience health benefits. Albertans were asked how many times per week, on average, they do strenuous activity, moderate activity, and mild activity for more than 15 minutes. Frequencies were multiplied by the energy cost of the activity and a total weekly leisure activity score was generated.

Results

The 2017 result of 57.3 per cent is 3.0 per cent lower than the 2015 result of 60.3 per cent.

Analysis

In 2017, 57.3 per cent of Albertans were physically active enough to experience health benefits, with 91.1 per cent aware that regular physical activity brought health benefits. Results show that physical activity levels decrease with age and participation is related to the ability to be physically active. Albertans with confidence in their ability to participate and confidence to overcome barriers such as bad weather, tiredness or time constraints had significantly higher rates of physical activity. Activity rates also increased as the perceived health outcomes of physical activity increased, as well as with factors such as access and proximity to recreational facilities.

The ministry encourages Albertans to be more active more often by supporting initiatives that provide opportunities for Albertans of all ages to be physically active at home, work, school, in the neighborhood, or elsewhere at any time of day. The ministry also works with other ministries on initiatives related to physical activity such as active transportation, and with other provincial and national governments, and organizations to champion policies such as the Physical Activity Framework and projects such as Participation 150 Play List and the Great Trail.

Outcome Two

Tourism and the cultural industries are key drivers of Alberta's economic diversification

Overview

The ministry is committed to the expansion of Alberta's tourism sector and increasing awareness of the economic significance of tourism. This is achieved by growing and diversifying Alberta's tourism industry in collaboration with destination marketing organizations, industry associations, operators, and internal and external stakeholders. Together with Travel Alberta, the tourism marketing agency of the Government of Alberta, the ministry develops and markets Alberta's authentic experiences at home and around the world. The department addresses regulatory and policy issues; collects, interprets and distributes tourism data and market intelligence; and provides assistance to industry, investors, and other key stakeholders. This approach enables the identification of business and investment opportunities, and supports development of tourism experiences, products, and destinations throughout the province. To maximize the opportunities tourism creates for every region of the province, the department also provides travellers with information and advice through provincial, regional and community visitor information centres, the Travel Alberta website and the 1-800-ALBERTA Contact Centre.

The ministry also works to support organizations in Alberta's screen-based production, book and magazine publishing, sound recording, and interactive digital media sectors. Through focusing on sustaining meaningful jobs and supporting creative talent in the cultural industries, the ministry works to preserve and share Alberta's unique culture and support the government's goal of economic diversification and growth.

Results

2.1 Update and implement programs and services to support tourism entrepreneurs and to attract both foreign and domestic investment into the tourism industry; and help support destination management/marketing organizations and other tourism industry stakeholders to grow tourism in their communities.

After launching a new Visitor Services Model for Alberta in January 2017, the ministry continued implementing its Visitor Services Strategy, supporting destination management and other industry stakeholders in growing tourism in their communities. The Visitor Services Innovation Fund offers visitor service providers access to funding that supports innovation in service delivery and in provision of trip-planning information to visitors to enhance their experience. The second intake to the fund received 19 applications with 16 awarded for funding of approximately \$97,000. Alberta's visitor services providers also continued to benefit from training and development through the Spring Training Showcase and the Alberta Visitor Services Providers annual conference.

In 2017-18, a new program was launched to help communities and non-profit tourism organizations create jobs and memorable travel experiences. The Tourism Growth Innovation Fund provides \$1

DID YOU KNOW?

In 2017-18, the Government of Alberta, through the Ministry of Culture and Tourism and the Ministry of Labour, pledged a grant of \$315,000 to the Indigenous Tourism Association of Canada to help establish a provincial Indigenous tourism organization and grow tourism-related businesses across the province. The government was the first province or territory to provide funding to the national association to help establish a provincial Indigenous tourism organization.

In addition to establishing the provincial organization, the grant will also be used to grow tourism businesses in First Nations and Métis communities in Alberta. Working with the government, the national organization will build and deliver an Indigenous tourism entrepreneurship program, hold regional sessions targeting current and potential Indigenous tourism entrepreneurs, and support Indigenous tourism businesses in the province.

million in the form of matching grants of up to \$75,000. The program's first intake, April 1 to 30, 2018, provided project-based funding to support economic, socio-economic, and community goals of the sector, with a focus on winter and shoulder-season tourism development, rural projects and Indigenous cultural experiences. By focusing on strengthening collaboration among tourism stakeholders, the fund looks to support projects to grow tourism in communities beyond the province's two major cities and mountain parks.

The Visitor Friendly Business Training Program was developed and piloted in four communities in Alberta. The program aligns with the Visitor Friendly Alberta Program and is offered to small- and medium-sized business operators that have completed an assessment. The program consists of a webinar, a one-day in-person workshop, the completion of a self-assessment for each participating business, site visits and individualized coaching.

The Tourism Entrepreneurship Program assists entrepreneurs through innovation and expansion of their product offerings. In 2017-18, three new program initiatives were launched, including the Tourism Entrepreneurship Startup Seminar which delivers education and insight to support entrepreneurs and small businesses in starting or expanding their tourism business. The seminar series launched on February 7, 2018 in Cold Lake, addressing key tourism industry topics like seasonality, financing and marketing. The ministry partnered with ATB Financial to introduce a tourism crowd-funding campaign that encouraged entrepreneurs to test their business concepts and products and raise money for implementation. The 2017 ATB Tourism BoostR event took place immediately prior to the Travel Alberta Industry Conference. In March 2018, the ministry also hosted an Experience Economy Workshop developed in partnership with the United Kingdom's Department of International Trade. The workshop brought global leaders in the creation and operation of visitor attractions to share learnings and insights with Alberta's tourism industry. In addition to the on-going partnership with the Indigenous Tourism Association of Canada that supports Indigenous tourism through development, capacity building and marketing, the ministry is developing Indigenous-specific versions of these entrepreneurship programs to further support the development and expansion of authentic Indigenous tourism experiences in Alberta.

In order to expand the network of international and domestic investors for tourism development, the ministry continued to identify and support investment leads in Canada and key international markets including the United States, Europe and China. In 2017-18, the value of proposed tourism investment projects was over \$60 million. The ministry also supported seven exploratory visits by organizations outside of Alberta, with two of these organization making repeat visits.

2.2 In collaboration with Environment and Parks, improve access to land to support tourism entrepreneurs and investment attraction by leading strategic tourism policy initiatives.

Access to land is a key requirement for tourism development. Land is needed for tourism infrastructure and facilities, and for tourism-associated businesses and services, particularly when appealing to international visitors. The ministry continues to collaborate with the Ministry of Environment and Parks to improve the process for the leasing of public lands to allow for appropriate new and expanded tourism development within the province.

A joint working group was formed with the Ministry of Environment and Parks to discuss guidelines for a review process for commercial, recreational, and tourism use of public land. The working group identified challenges and gaps within current guidelines that have discouraged or prevented investment. Updating the existing processes and improving the mechanisms of allocation and disposal of public land is being advanced as a key strategy in the ministry's 2018-21 business plan.

Discussions between the two ministries also focused on developing a land inventory of sites on public lands that align with commercial recreation and tourism development. Work is ongoing to identify appropriate land bases and determine the suitable scale of tourism development.

DID YOU KNOW?

Rendez-vous Canada is hosted by the Tourism Industry Association of Canada and Destination Canada in a different Canadian city each year. The 2017 event had record attendance and was held in Calgary between May 9 and 12, 2017. The event featured three days of pre-scheduled speed-dating-style sessions between Canadian sellers of tourism products and international buyers. Tourism providers have 12 minutes to make an impression and a sale. More than 29,000 one-on-one appointments were held.

2.3 Complete a Castle Region Tourism Strategy to map out a plan for tourism development in the Castle region.

The purpose of the Castle Region Tourism Strategy is to identify actions to grow tourism as a more significant contributor to the region's economy. With the creation of the new Castle Provincial Park and the expansion of the Castle Wildland Provincial Park, and with existing recreational, cultural and heritage attractions, the region in southwest Alberta has the opportunity to become a new tourism destination in the province, diversifying the local economy, supporting job creation and relieving development pressures on other tourist destinations such as the Bow Valley region.

In 2017-18, in order to provide policy options and recommendations to facilitate development of a culturally respectful, sustainable, and dynamic tourism sector in the region, the ministry undertook public and Indigenous engagement to ensure the strategy aligns with the vision of residents and Indigenous peoples. Targeted stakeholder engagement took place in April 2017, although wildfires in southern Alberta delayed the main public engagement, which subsequently took place in the form of two open houses – one in Pincher Creek and one in Crowsnest Pass – in November 2017. An online survey was also released to the general public between September and November 2017, looking at interest and support for tourism development in the region. The strategy will provide recommendations that align with priorities identified by Indigenous peoples as well as industry, public and community partners to help support the growth of tourism in the region.

The ministry also continues to work within the Land-use Framework regions to identify appropriate land-

bases for tourism development and advocate on behalf of Alberta's tourism industry.

2.4 Grow tourism revenue from high-potential markets and segments in Alberta and internationally.

To elevate traveller awareness for Alberta and create demand for Alberta experiences, the ministry, through Travel Alberta, focused efforts at growing visitation and revenue from high-potential markets. Travel Alberta takes an integrated, multi-channel approach which includes consumer-direct promotions, media/social media activation, and business development activities. Markets are determined based on immediate and long-term growth potential to ensure sustained health of the market and constant travel demand for Alberta.

Strategic marketing investments were focused on year-round promotion of the province, with heightened focus on diversifying seasonality and regionality of travel to drive growth in visitation. Partnerships with like-minded brands and third-party travel providers helped maximize investments and allow for greater reach to targeted traveller audiences. Promotion of direct air service into Alberta also helped to raise traveller awareness about the ease of travel to Alberta and supports airlines servicing Alberta to fill seats on non-stop services into Edmonton and Calgary International Airports.

The focus on international markets in 2017-18 included the United States, the United Kingdom, Germany, the Netherlands, China, Japan, South Korea and Mexico. This work generated 2.6 million qualified leads for Alberta industry partners and tour providers selling Alberta in international markets, and 1.6 million room nights in the province, resulting in an estimated \$895 million in tourism-related expenditures.

Travel Alberta increased online travel agency, travel trade, and consumer partnerships in 2017-18, encouraging independent summer travel throughout the province and increased partnerships and investments with tour operators for winter development. They managed to maintain a stronghold appealing to summer travellers while focusing more heavily on the winter season through highlighting

lower-cost options and working with partners in international markets to create new itineraries and inspire travellers to explore Alberta.

DID YOU KNOW?

Travel Alberta helps industry partners, through funding and education, to develop strategies to inspire international travellers to explore Alberta. Funding requests are assessed based on their alignment with ministry strategic objectives, which include marketing internationally to create global demand for Alberta and increase high-yield visitation.

Because of Travel Alberta's leadership and marketing advice, industry partners are investing more in attracting new travellers to Alberta: industry partner investment domestically outside of Alberta held steady at 19 per cent in 2017-18, and industry partner international investment was 29 per cent in 2017-18, compared to 23 per cent in 2016-17.

In 2017-18, Travel Alberta also created content that resonates with Alberta's highest-potential audience: the free-spirit millennial. Developed using traveller data and insights, this creative, entitled READY, is the evolution of the award-winning "remember to breathe" brand. It is fresh, inviting, and puts the traveller right in the heart of the action. All Travel Alberta marketing channels have been rebranded in alignment with the READY brand. In the first two weeks of use, the READY creative garnered over five million traveller engagements.

Reaching target travellers through multiple channels and business partnerships allows Travel Alberta to continue extending brand reach, improve efficiency and influence consumers at a variety of points on the path to purchase. Travel

Trade partnerships are important for North American and overseas tourism operators to drive incremental room nights sold in Alberta.

Travel Alberta's Cooperative Marketing Investment Program assists tourism operators in Alberta to enhance their own marketing activities, leverage strategic partnerships to grow their businesses and drive a return on investment. In 2017-18, Travel Alberta allocated \$6.4 million in cooperative marketing funding to support both regional and international-partnered marketing efforts to keep Albertans travelling at home and to inspire visitors from outside our borders.

DID YOU KNOW?

The Travel Alberta Industry Conference in Banff is Canada's largest tourism industry conference. In October 2017, 549 delegates attended the conference. The conference generated approximately \$327,000 in revenue.

2.5 Advance the government's economic diversification priority by building capacity through investment attraction and access to new markets, as well as supporting further development and retention of a highly skilled cultural industries workforce.

The Alberta Media Fund continued to support growth and development of businesses and individuals in Alberta's cultural industries through a variety of grant programs. In 2017-18, various initiatives were launched, including the \$45 million Screen-based Production Grant Program, which supports film and television production, and the implementation of two pilot grant programs, which support interactive digital media and post production. Support was also provided to the cultural industries to assist in fostering trade development and investment attraction opportunities.

Work continued on a long-term strategy to guide government's approach in supporting all of Alberta's cultural industries sectors. These types of investments support and create high-quality jobs for Albertans, and ensure the preservation and sharing of Alberta culture. Support for cultural industries also complements Alberta's support for a variety of key sectors while providing many tangible and intangible benefits, including strengthening knowledge-based industries and entrepreneurship in the province, creating licensing opportunities for intellectual property across platforms to generate multiple revenue streams and export profits, and supporting the creation and preservation of cultural identity.

DID YOU KNOW?

There are several shows that are currently filming or have recently filmed in Alberta including Heartland, Hold the Dark, Damnation, Tin Star, and Wynonna Earp.

Some of the benefits of supporting productions can be seen with the Heartland television series. Heartland, a show that airs in more than 120 countries, employed more than 100 Albertans each season, and spent more than \$226 million in the province as a result of production spending over its 11 seasons.

2.6 Work with Economic Development and Trade on sector-specific initiatives including a Cultural Industries Grant Pilot Program that will provide two new incentives designed to create jobs and support economic diversification through support to post-production, visual effects, digital animation and interactive digital media.

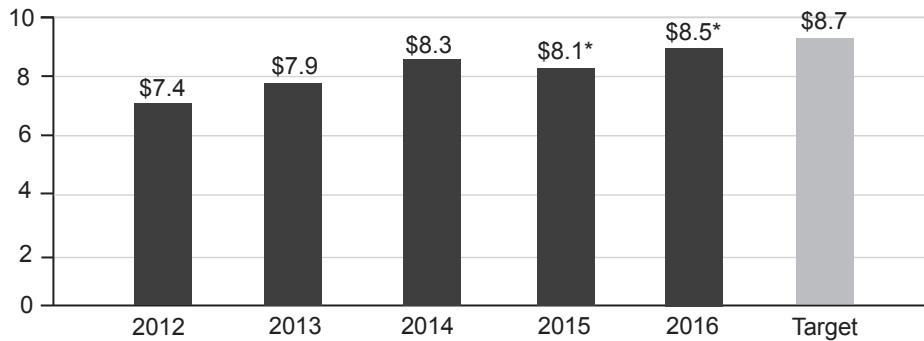
In 2017-18, the ministry supported the launch of two cultural industries pilot grants to support post-production, digital animation and visual effects, and interactive digital media. Funded through the

Capital Investment Tax Credit, the grants contributed to programs that were developed in consultation with the sector and were launched in May 2017. The Post-production Pilot Grant Program provided 360 grants for a total of \$1.1 million in funding to support post-production projects by Albertan companies. The Interactive Digital Media Pilot Grant provided approximately \$0.9 million in funding, supporting 54 new full-time, part-time, and contract jobs for interactive digital media professionals.

Additional support will be provided to cultural industries in 2018-19 to continue building on initiatives that help foster sustainability and growth in the sector. Along with the increased support through the new Screen-based Production Grant, support is being provided to the other cultural industries including book and magazine publishing, and music, as well as support to make the post-production grant permanent. Permanent support for interactive digital media is part of a suite of tax credits to support Alberta businesses that will be implemented by the Ministry of Economic Development and Trade.

Performance Measure

2.a Total tourism expenditures in Alberta (\$ billions)



Source: Statistics Canada, Travel Survey of Residents of Canada and International Travel Survey, and the Ministry of Culture and Tourism. Measured in current dollars (\$ billion) and includes expenditures made by residents and non-residents.

Note: * The 2015 and 2016 results are not directly comparable to previous results due to a change in how expenditures by international visitors were identified.

Description

This measure indicates the value of tourism-related expenditures in Alberta. This includes expenditures made in Alberta by visitors from overseas, the United States, other Canadian provinces, and by Albertans.

Results

The result of \$8.5 billion was \$0.2 billion lower than the 2017-18 target and \$0.4 billion higher than 2015.

Analysis

In 2016, Alberta experienced the highest level of tourism expenditures recorded, with a 4.7 per cent increase from 2015. Expenditures by Albertans remained the largest contributor, accounting for approximately 54.1 per cent of total tourism expenditures or \$4.6 billion. Expenditures by other Canadians accounted for approximately 21.0 per cent or \$1.8 billion. Visitors from the United States and overseas accounted for approximately 24.9 per cent, spending approximately \$2.1 billion in Alberta.

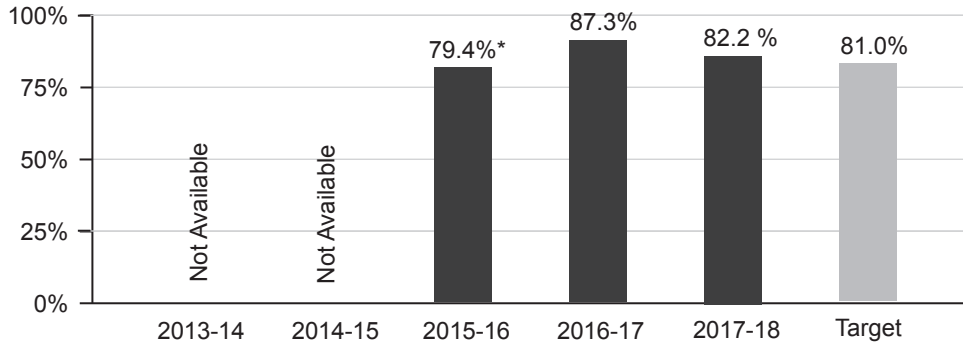
Compared to 2015, tourism expenditures from Albertans declined by 2.5 per cent. Expenditures from visitors from the rest of Canada saw growth of 15.1 per cent. Expenditures from visitors from the United States were 6.8 per cent higher than in 2015. Overseas visitor spending increased by 19.8 per cent in 2016.

Many factors contributed to Alberta's increase in tourism expenditures performance in 2016, including Travel Alberta brand/marketing efforts, improved air access from selected markets, a favourable exchange rate (for international visitors), cheaper gasoline prices (for domestic visitors), and the perception of Canada as a safe tourism destination.

While 2017 data from Statistics Canada will not be available until early in 2019, provincial indicators released in the ministry's monthly Alberta Tourism Market Monitor show that leisure travel remained strong in 2017-18 at provincial heritage sites and in mountain parks, bolstered by Canada's 150th anniversary celebrations with free access to provincial celebration events and national parks.

Performance Measure

2.b Percentage of tourism industry clients satisfied with tourism research, development and visitor services



Source: Tourism Division Client Satisfaction Survey

Note: * Prior to 2015-16, performance measure 2.b excluded visitor services in measuring client satisfaction levels. The new measure provides results on a broader scope of services and is therefore not directly comparable to previous results.

Description

This measure indicates the percentage of public and private sector tourism industry clients who were satisfied with their contact with the Tourism Division. The division provides a range of information and advisory resources for new and expanded tourism development projects throughout Alberta.

Results

The result of 82.2 per cent was 1.2 per cent higher than the 2017-18 target of 81.0 per cent and 5.1 per cent lower than the 2016-17 result.

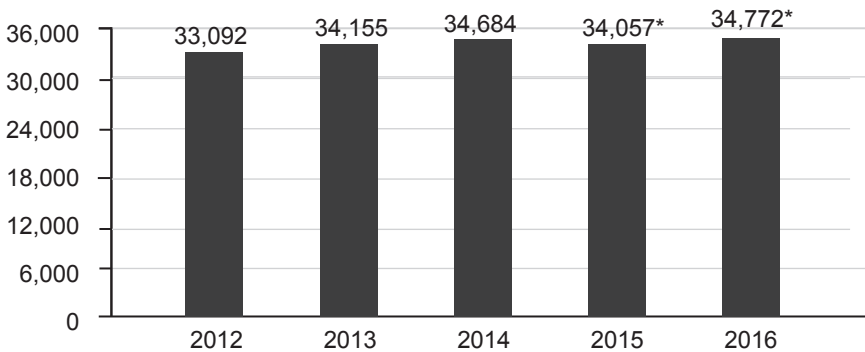
Analysis

Client satisfaction is influenced by several factors such as the frequency of clients' contact and their varying needs, preferences and expectations. Clients often seek funding or investor/developer interest in their projects, which the ministry cannot guarantee. These expectations may result in different experiences and varying levels of satisfaction. In 2017-18, 92.0 per cent of clients responded they were satisfied with the information and advice they had been given and 83.3 per cent thought tourism development services were important in helping industry operators pursue tourism development opportunities.

In 2017-18, the Ministry of Culture and Tourism supported a variety of clients and stakeholders to facilitate growth in Alberta's tourism industry. This included support to key tourism events, like the fifth annual Alberta Open Farm Days, and Red Bull Crashed Ice in Edmonton. These events were able to grow visitation and improve visitor experiences. Tourism community development was facilitated through supports to organizations, such as the Alberta Small Brewers Association, and through the delivery of programs such as the Visitor Friendly Alberta Program and grants through the Visitor Services Innovation Fund. The Alberta Culinary Tourism Alliance was a key recipient of funds and other supports, enabling the growth of culinary tourism. In support of tourism industry development, the ministry focused on working with tourism entrepreneurs and small businesses offering programs such as the Tourism Entrepreneurship Startup Seminars, and in partnership with ATB financial, the Tourism BoostR crowdfunding program to support investment into existing tourism businesses. The ministry also continued to work with national tourism organizations such as the Indigenous Tourism Association of Canada to advance strategic tourism priorities and support the creation of a provincial Indigenous tourism organization.

Performance Indicator

2.a Tourism visitation (thousands of person visits)



Source: Statistics Canada, Travel Survey of Residents of Canada and International Travel Survey, and the Ministry of Culture and Tourism.

Notes: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no target is presented.

* The 2015 and 2016 results are not directly comparable to previous results due to a change in how visitation by international visitors were identified.

Description

This indicator identifies the annual volume of all tourism-related visitations in Alberta including visitation by Albertans, residents of Canada from other provinces, overseas visitors, and visitors from the United States.

Results

The 2016 result of 34,772 million person-visits was 2.1 per cent higher than the 2015 result.

Analysis

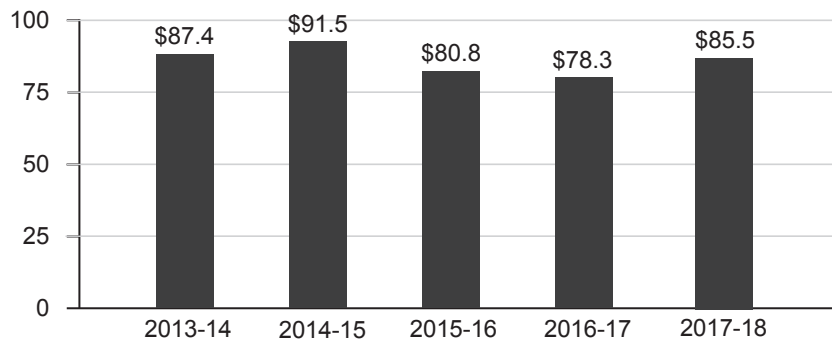
In 2016, tourism visitation by Albertans accounted for 83.8 per cent of all person-visits. Visitation from the rest of Canada accounted for 10.6 per cent of all person-visits, while visitation from the US and other overseas destinations accounted for 5.6 per cent. While international tourism person-visits represent a smaller proportion of total visitation, they are a growth area; in 2016, international visits increased by 10.9 per cent compared to 2015. Visitation by Albertans increased by 0.7 per cent, while visitation from the rest of Canada increased by 9.4 per cent.

Travel to see friends and family is the most common type of trip taken by Albertans and other Canadians, followed by travelling for pleasure and travelling for business purposes. For Albertans, visits for pleasure increased by 8.6 per cent, and over-night visitation related to business purposes increased by 2.6 per cent; although, visiting friends and relatives decreased by 1.2 per cent. For over-night visits by other Canadians, visits for pleasure, visits for business, and visiting friends and relatives increased by 20.4 per cent, 32.1 per cent and 2.5 per cent respectively.

Many factors contributed to Alberta's improved overall tourism visitation in 2016, including the continued marketing efforts by Travel Alberta in select markets (especially British Columbia and Ontario) and improved air access. While 2017 data from Statistics Canada will not be available until early in 2019, provincial indicators released in the ministry's monthly Alberta Tourism Market Monitor show that leisure travel and visitation remained strong in 2017-18.

Performance Indicator

2.b Alberta's tourism levy (\$ millions)



Source: Alberta Treasury Board and Finance

Note: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no targets are presented.

Description

The tourism levy is a 4.0 per cent charge based on the purchase price for accommodation, excluding the cost of meals and other services. The levy provides information on the activity levels of Albertans, other visitors and business travellers using accommodations like a hotel, motel, apartment building, hostel, lodging house, boarding house, bed and breakfast, club or similar establishment in Alberta.

Results

The 2017-18 result of \$85.5 million was \$7.2 million higher than the 2016-17 result.

Analysis

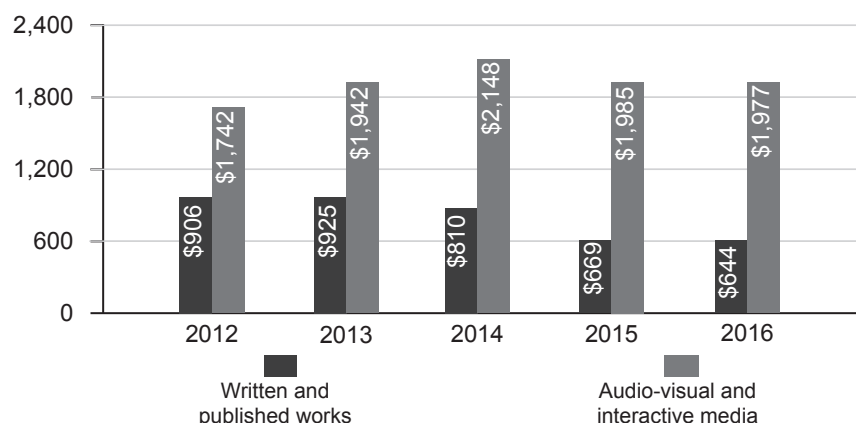
The tourism levy reflects movements in both the price of accommodation in Alberta and the number of visitors using these accommodations for tourism, commercial and personal reasons.

Recent data from the ministry's monthly Tourism Market Monitor showed that in 2017-18, the average occupancy rate at accommodations in Alberta (excluding resorts) was 53.1 per cent, an increase of 0.5 per cent from 2016-17, and the average daily room rate decreased by 5.1 per cent. At Alberta resorts, the occupancy rate increased by 0.2 per cent to 63.9 per cent in 2017-18, and the average daily room rate increased by 9.0 per cent.

Calgary International Airport experienced growth of 4.9 per cent in the total number of passengers enplaning or deplaning in 2017-18. Edmonton International Airport experienced a growth of 5.8 per cent in air passenger traffic. The number of domestic passengers increased by 3.7 per cent, the number of passengers from the United States increased by 10.0 per cent and the number of international (overseas) passengers increased by 9.4 per cent.

Performance Indicator

2.c GDP of Alberta's Cultural Industries (\$ millions)



Source: Statistics Canada, Provincial and Territorial Culture Satellite Account Indicators

Notes: Performance indicators show progress toward achievement of outcomes that the ministry has limited direct influence on. As such, no targets are presented. Only results for written and published works, and audio-visual and interactive media are displayed on the chart. In 2016, the sound recording industries contributed \$23 million to Alberta's economy.

Description

This indicator measures the net economic impact (i.e., GDP) in Alberta of written and published works (i.e., books, periodicals, newspapers and other published works), audio-visual and interactive media (i.e., film and video, broadcasting, and interactive media), and sound recording (including music publishing) industries.

Results

In 2016, the GDP contribution of cultural industries in Alberta was \$2.6 billion; including \$2.0 billion from audio-visual and interactive media industries, \$644 million from written and published works, and \$23 million from the sound recording industries.

Analysis

Over the last five years, overall results for these industries increased from \$2.6 billion in 2012 to \$3.0 billion in 2014, and then decreased to \$2.6 billion in 2016. The latest economic data from Statistics Canada indicate a decrease in GDP in 2015 and 2016 for Alberta overall, and for most industry sectors within Alberta.

The audio-visual and interactive media industries grew by 23.5 per cent over the last five years. The written and published works and sound recording industries both decreased by 34.2 per cent and 18.5 per cent respectively. The data on written and published works does not include online retail sales of books (whether in paper or digital format) that have experienced growth between 2010 and 2016.

Over the last decade, the increased use of digital technologies has significantly impacted the development, production, and distribution mechanisms in the cultural industries. The ministry's Cultural Industries Sector Strategy continues to be developed as the ministry looks for further opportunities to help foster the cultural industries in Alberta and their ongoing sustainability and growth.

Performance Measure and Indicator Methodology

Percentage of facilitation participants who are able to apply/use the results from the services

(Measure: 1.a)

The Client Satisfaction Survey was conducted from April 1, 2017 to March 31, 2018 by the Community Engagement Branch. Survey respondents are clients who receive customized facilitation services. Clients are community leaders, members of organizations or representatives of government. Only projects completed during the fiscal year are counted in the survey, even if the project was started in a prior year. There were 2,385 surveys distributed and 2,243 surveys returned resulting in a response rate of 94.0 per cent. The margin of error is +/- 0.5 per cent, 19 times out of 20.

Survey of Albertans

(Measures: 1.b, 1.c, and 1.d. Indicator: 1.b, 1.c, and 1.d)

The Survey of Albertans is a provincewide telephone survey of adult Albertans conducted by the ministry. The survey was undertaken by an independent research firm that conducted and collected 1,000 responses using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. The landline sample was drawn randomly from the most recent residential phone listings of Alberta and the wireless sample was drawn randomly from the most recent working cell phone lists. Albertans were asked questions on topics such as the arts, volunteerism, heritage, tourism, recreation and participation in organized sport in the past year. Interviews were conducted from January 22 to February 27, 2018, by trained and experienced interviewers. At least 5.0 per cent of all coding was independently reviewed for quality assurance. The response rate for the survey was 20.1 per cent and the margin of error at +/- 3.1 per cent, 19 times out of 20. The final survey presentation report can be accessed from the ministry website (www.culturetourism.alberta.ca).

Canadian Community Health Survey

(Measure: 1.e)

The percentage of Albertans who are active or moderately active in their leisure time is from data published by Statistics Canada from the Canadian Community Health Survey. A major redesign of the survey was implemented by Statistics Canada for the 2015 cycle that included changes to the sampling methodology, adopting a new sample frame, modernizing the survey content and reviewing the target population. The questions used to monitor physical activity levels in leisure time changed. As such, this performance measure will no longer be used by the ministry.

Charitable donations

(Indicator: 1.a)

The Statistics Canada charitable donations data is collected from income tax returns of Albertans submitted to the Canada Revenue Agency. A charitable donor is defined as a tax-filer reporting a donation to a registered charitable organization on line 340 of their personal income tax form. The data excludes late tax-filers and Albertans who do not claim donations on their tax returns. The data also excludes time and in-kind donations, as well as donations to nonprofit organizations that are not registered as a charity.

Alberta Survey on Physical Activity

(Indicator: 1.e)

The Alberta Survey on Physical Activity was conducted for the Alberta Centre for Active Living by the Population Research Laboratory. Questions were asked about leisure-time physical activity, walking, sedentary behavior and physical activity trackers. Respondents participated in telephone interviews between June 28 and August 9, 2016. A sampling frame of telephone numbers included both landline and cell phone numbers. A random-digit dialing approach ensured that respondents had an equal chance of being contacted. The random sample included 1,215 adults living in Alberta. The response rate for the survey was 21 per cent and the margin of error at +/- 2.8 per cent, 19 times out of 20. The survey report can be accessed from the Alberta Centre for Active Living website (www.centre4activeliving.ca).

Travel Survey of Residents of Canada and the International Travel Survey, and the Ministry of Culture and Tourism

(Measure: 2.a. Indicator: 2.a)

The total value of tourism expenditures and tourism visitation in Alberta is derived by the Ministry of Culture and Tourism from data released by Statistics Canada from the Travel Survey of Residents of Canada and the International Travel Survey. Both surveys are sponsored by the Canadian Tourism Commission, Statistics Canada, provincial/territorial tourism agencies and other federal government departments.

The Travel Survey of Residents of Canada measures the size of domestic travel in Canada and provides information about the volume of trips and expenditures for Canadian residents. It is a sample survey run as a voluntary supplement to the Labour Force Survey. Respondents are randomly selected and asked to respond to the travel survey questionnaire. The International Travel Survey provides statistics on travellers to and from Canada using mail-back questionnaires, e-questionnaires, the Air Exit Survey as well as Frontier Counts.

An independent research firm was used to clean and harmonize data from the Travel Survey of Residents of Canada (domestic tourism related to Albertans and other Canadians), while data tables for overseas and US person-visits were received directly through custom tables from Statistics Canada.

Tourism Division Client Satisfaction Survey

(Measure: 2.b)

The Client Satisfaction Survey is conducted with public and private sector representatives who had received tourism research, development, and visitor services information and advice from the Tourism Division. An independent research company conducted the survey and was responsible for reviewing the survey and questionnaire design, data quality control, and analysis. Respondents were given the choice of completing the survey online or by telephone. The self-complete web-based survey was active from May 1 to May 17, 2018, while telephone surveys were conducted from May 7 to 17, 2018. A total of 174 completed surveys were used to produce the result. The response rate for the survey was 44.3 per cent and the margin of error is +/- 5.5 per cent, 19 times out of 20.

Alberta's Tourism Levy

(Indicator: 2.b)

The tourism levy provides information on the activity levels of Albertans, other visitors travelling and business travellers using accommodations like hotels, motels, bed and breakfasts or similar establishments. It is a 4.0 per cent charge based on the purchase price for accommodation (excluding cost of meals and other services). The levy is collected on accommodations like a hotel, motel, apartment building, hostel, lodging house, boarding house, bed and breakfast, club or similar establishment in Alberta. The tourism levy does not include lodgings that are occupied by the same individual continuously for a period of 28 days or more, or for establishments in which there are fewer than four bedrooms available for rent separately.

GDP of Alberta's Cultural Industries

(Indicator: 2.c)

Data for this indicator comes from Statistics Canada's Culture Satellite Account. It was developed by applying the Canadian Framework for Culture Statistics to the Canadian System of National Accounts, and follows a transparent methodological approach drawing on a wide variety of economic data and surveys available at Statistics Canada. The Culture Satellite Account provides measures of the economic importance of the cultural industries in terms of economic output, GDP, and jobs. The data for these indicators are anchored to Statistics Canada's 2013 Supply and Use Tables. Revisions to data in subsequent years are expected in-line with Statistics Canada's revisions policy for all economic statistics.

Financial Summary

Results of Operations (millions of dollars)

	2017-18 Budget	2017-18 Actual	Variance under/ (over)
Total Revenue	\$26.8	\$28.5	\$(1.7)
Expenses Operating	\$354.3	\$373.0	\$(18.7)
Net Operating Results	\$(327.5)	\$(344.5)	\$(17.0)
Capital Investment	\$2.7	\$2.5	\$0.2

Revenues were \$1.7 million higher than budget. The largest variance was in the Premium, Fees and Licences category mostly due to Administration Fees for \$1.3 million.

Expenses were \$18.7 million higher than the budget. Most of the variance is due to \$5.0 million additional funding to support Calgary's bid for the 2026 Olympic Winter Games (to a total of \$10 million), \$5.0 million for National Music Centre, and \$14.9 million in additional funding for Alberta Production Grant, offset by \$3.25 million in-year savings.

Capital Investment was lower than budget mostly due to lower capital asset purchases for Historic Sites and Museums and the Jubilee Auditoria.

Revenue Highlights (millions of dollars)

	2017-18 Budget	2017-18 Actual	2016-17 Actual
Internal Government Transfers	\$0.1	\$0.1	\$0.1
Transfers from the Government of Canada	\$1.2	\$1.6	\$1.2
Investment Income	\$0.5	\$0.6	\$0.5
Premiums, Fees and Licences	\$7.0	\$8.4	\$7.5
Other Revenue	\$18.0	\$17.8	\$14.5
Total Revenue	\$26.8	\$28.5	\$23.8

Revenues totalled \$28.5 million in 2017-18, an increase of \$4.7 million from 2016-17.

Internal Government Transfers from the Alberta Heritage Scholarship Fund in the amount of \$0.1 million funded the Queen's Golden Jubilee Programs.

Transfers from the Government of Canada included:

- \$0.9 million for Francophone Secretariat to support French language projects across the province;
- \$0.5 million to the Alberta Sport Connection to encourage youth and under-represented populations to actively participate in sport, and to encourage physical literacy.

Investment income in the ministry's funds and agencies amounted to \$0.6 million.

Premiums, Fees and Licences are primarily fees for film classification and admission to museums and heritage sites, with smaller amounts coming from charges such as conferences and events.

Overall, Premiums, Fees and Licences totalled \$8.4 million in 2017-18, an increase of \$0.9 million from the prior year and \$1.4 million over budget.

Other Revenue totalled \$17.8 million. This amount represents an increase of \$3.3 million from 2016-17 mostly due to increase in Acquisition of Historical Collections. The Other Revenue category includes donations, sales, rental revenues, refunds of expenses and other miscellaneous revenues.

Expense Highlights (millions of dollars)

	2017-18 Budget	2017-18 Actual	2016-17 Actual
Creative Industries	\$76.8	\$88.5	\$77.4
Community and Voluntary Support Services	\$115.1	\$128.3	\$96.5
Francophone Secretariat	\$1.5	\$1.5	\$1.4
Heritage	\$57.6	\$56.5	\$64.0
Recreation and Physical Activity	\$27.5	\$26.6	\$28.3
Tourism	\$60.8	\$59.1	\$62.0
2013 Alberta Flooding	\$0.0	\$0.0	\$2.7
Ministry Support Services	\$15.0	\$12.5	\$12.5
Climate Leadership Plan	\$0.0	\$0.0	\$0.0
Total Expenses	\$354.3	\$373.0	\$344.8

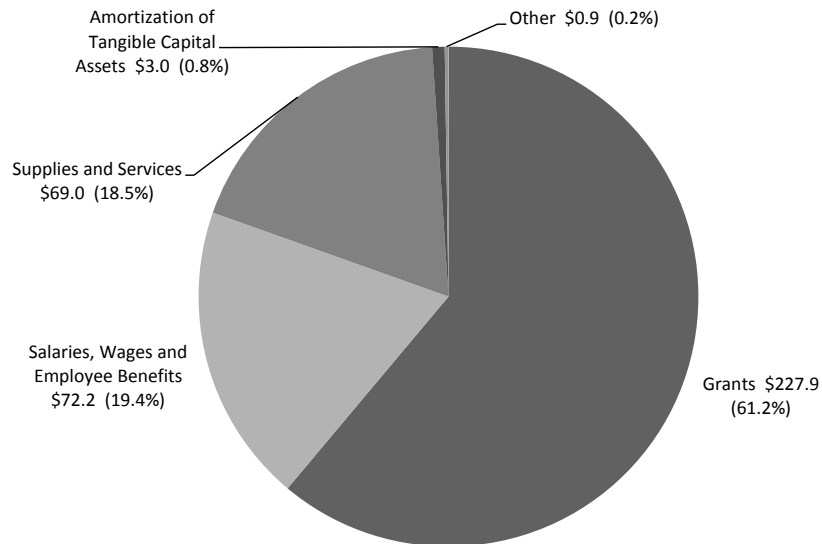
Expenses totalled \$373 million, reflecting increases of \$18.7 million from budget 2017-18 and \$28.2 million from 2016-17 actuals.

Budget 2017 made significant investments in tourism infrastructure and facilities. This included \$15.6 million to support to the expansion of the Fort Edmonton Park (to a total of \$33.5 million), \$5.0 million to upgrade and modernize the WinSport sliding track at the Canada Olympic Park (to a total of \$10 million), and \$3.3 million to support to the expansion of the Calgary Zoo (to a total of \$10 million).

Compared with Budget 2017, expenses were \$18.7 million higher than budgeted. This was due to additional funding of \$5.0 million to support Calgary's bid for the 2026 Olympic Winter Games (to a total of \$10 million), \$5.0 million for National Music Centre, \$14.9 million additional funding for Alberta Production Grant, and to support capital projects such as The New Roxy Theatre (for \$2.5 million), Children's Autism Services of Edmonton (for \$1.25 million), World Triathlon Series in Edmonton (for \$3.5 million), Heritage Park Society (for \$1.5 million), and Alberta TrailNet Society (for \$1.9 million), offset by \$3.25 million in-year savings.

Ministry Operating Expense by Object (millions of dollars)

OPERATING EXPENSE BY OBJECT - \$373.0



The ministry's largest operating expense was grants, which made up 61.2 per cent of total operating expense. In 2017-18, \$227.9 million was provided to support individuals, organizations and communities through grant programs.

Expenditures for salaries, wages and employee benefits totalled \$72.2 million (19.4 per cent) and were primarily to manage heritage facilities, support community groups and administer grant programs.

Supplies and services of \$69.0 million (18.5 per cent) included contracts for the development of Alberta as a tourism destination and related tourism products and marketing through Travel Alberta, in addition to ongoing supply requirements for the ministry (e.g., contracts and contract services, materials and supplies, and shared services provided by the Ministry of Service Alberta).

The remainders of ministry expenses were classified as amortization of capital assets (\$3.0 million) and other expenses (\$0.9 million).

Financial Information

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Ministry of Culture and Tourism

Consolidated Financial Statements

March 31, 2018

**Ministry of Culture and Tourism
Consolidated Financial Statements
March 31, 2018**

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Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Culture and Tourism, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Culture and Tourism as at March 31, 2018, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 6, 2018

Edmonton, Alberta

Ministry of Culture and Tourism
Consolidated Statement of Operations
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 80	\$ 52	\$ 95
Federal Government Grants	1,223	1,623	1,211
Premiums, Fees and Licences	6,922	8,374	7,497
Investment Income	417	615	478
Other	18,133	17,815	14,552
	<u>26,775</u>	<u>28,479</u>	<u>23,833</u>
Expenses – Directly Incurred (Note 2(c) and Schedules 3 and 5)			
Ministry Support Services	15,009	12,609	12,483
Community and Voluntary Support Services	115,094	128,230	96,440
Creative Industries	76,786	88,512	77,415
Francophone Secretariat	1,540	1,489	1,426
Heritage	57,615	56,511	64,025
Recreation and Physical Activity	27,426	26,574	28,344
Tourism	60,787	59,071	62,010
2013 Alberta Flooding	-	-	2,671
Climate Leadership Plan	-	-	9
	<u>354,257</u>	<u>372,996</u>	<u>344,823</u>
Annual Deficit	<u><u>\$ (327,482)</u></u>	<u><u>\$ (344,517)</u></u>	<u><u>\$ (320,990)</u></u>

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

Ministry of Culture and Tourism
Consolidated Statement of Financial Position
As at March 31, 2018
(in thousands)

	2018	2017
		Restated (Note 3)
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 38,357	\$ 46,740
Accounts Receivable (Note 5)	3,230	1,710
Inventories for Resale	898	556
	42,485	49,006
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	79,457	31,742
Deferred Contributions (Note 9)	2,221	2,344
Liabilities for Contaminated Sites (Note 10)	16,572	16,879
	98,250	50,965
Net Debt	(55,765)	(1,959)
Non-Financial Assets		
Tangible Capital Assets (Schedule 6)	20,100	20,753
Prepaid Expenses	159	96
	20,259	20,849
Net (Debt) Assets	(35,506)	18,890
Net Assets at Beginning of Year	18,890	22,206
Adjustment to Net Assets (Note 12)	-	(924)
Annual Deficit	(344,517)	(320,990)
Net Financing Provided from General Revenues	290,121	318,598
Net (Liabilities) Assets at End of Year	\$ (35,506)	\$ 18,890

Contractual Rights (Note 7)

Contingent Liabilities and Contractual Obligations (Notes 11 and 13)

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

Ministry of Culture and Tourism
Consolidated Statement of Change in Net Debt
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Annual Deficit	\$ (327,482)	\$ (344,517)	\$ (320,990)
Acquisition of Tangible Capital Assets (Schedule 6)	(2,706)	(2,252)	(2,545)
Amortization of Tangible Capital Assets (Schedule 6)	3,095	2,814	3,000
Loss on Sale of Tangible Capital Assets		93	109
Transfer (in) Tangible Capital Assets from Alberta Environment and Parks		(2)	-
Proceeds on Sale of Tangible Capital Assets		-	13
Increase in Prepaid Expenses		(63)	(55)
Transfer of Deferred Revenue to Alberta Environment and Parks		-	132
Transfer of Cash to Alberta Environment and Parks		-	(232)
Net Financing Provided from General Revenue		290,121	318,598
Change in Net Debt/Net Financial Assets		(53,806)	(1,970)
(Net Debt) Net Financial Assets at Beginning of Year		(1,959)	11
Net Debt at End of Year		\$ (55,765)	\$ (1,959)

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

Ministry of Culture and Tourism
Consolidated Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)

	2018	2017
		Restated (Note 3)
Operating Transactions		
Annual Deficit	\$ (344,517)	\$ (320,990)
Non-cash Items Included in Annual Deficit		
Amortization of Tangible Capital Assets (Schedule 6)	2,814	3,000
Transfer of Tangible Capital Assets from Alberta		
Environment and Parks	(2)	-
Loss on Disposal of Tangible Capital Assets	93	109
Deferred contributions Recognized as Revenue (Note 9)	(642)	(638)
	(342,254)	(318,519)
(Increase) Decrease in Accounts Receivable	(1,520)	119
(Increase) in Inventories for Resale	(342)	(48)
(Increase) in Prepaid Expenses	(63)	(55)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	47,715	(4,027)
(Decrease) Increase in Liabilities for Contaminated Sites	(307)	9,673
Deferred Revenue Received (Note 9)	519	693
	(296,252)	(312,164)
Cash (Applied to) Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 6)	(2,252)	(2,545)
Proceeds on Sale of Tangible Capital Assets	-	13
	(2,252)	(2,532)
Cash (Applied to) Capital Transactions		
Financing Transactions		
Transfer of Cash to Alberta Environment and Parks	-	(232)
Net Financing Provided from General Revenues	290,121	318,598
	290,121	318,366
Cash Provided from Financing Transactions		
(Decrease) Increase in Cash and Cash Equivalents	(8,383)	3,670
Cash and Cash Equivalents at Beginning of Year	46,740	43,070
Cash and Cash Equivalents at End of Year	\$ 38,357	\$ 46,740

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 1 Authority and Purpose

The Minister of Culture and Tourism has, by the *Government Organization Act* and its regulations, been designated responsible for various Acts. To fulfill these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Culture and Tourism (the Ministry).

The purpose of the Ministry is to diversify economy, help create jobs and make life better for Albertans. This is done by working towards the following desired outcomes:

- Alberta has a thriving culture that is valued by Albertans;
- Alberta's rich heritage is promoted, and historical resources are preserved and accessible to Albertans, Canadians and international audiences;
- Tourism provides sustainable economic growth to all regions of Alberta through targeted marketing and industry development;
- Alberta has resilient and engaged communities supported by a strong nonprofit/voluntary sector;
- Albertans enjoy improved health and wellness and strong communities through recreation, active living and sport; and
- Alberta has a sustainable, vibrant arts sector and cultural industries that inspire creativity and innovation.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Ministry of Culture and Tourism. The *Fiscal Planning and Transparency Act* defines a Ministry as including the Department and any Provincial agency and Crown-controlled organizations for which the Minister is responsible.

The accounts of government sector entities, except those designated as government business enterprises, are consolidated using the line-by-line method. Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in government's results. Revenue and expense, capital, and related asset and liability balances between the consolidated entities have been eliminated.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

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

(a) Reporting Entity (continued)

These consolidated financial statements include the accounts of the following organizations:

<u>Organization</u>	<u>Authority</u>
Alberta Foundation for the Arts	<i>Alberta Foundation for the Arts Act</i>
Alberta Sport Connection	<i>Alberta Sport Connection Act</i>
Department of Culture and Tourism	<i>Government Organization Act</i>
Historic Resources Fund	<i>Historical Resources Act</i>
The Alberta Historical Resources Foundation	<i>Historical Resources Act</i>
Travel Alberta Corporation	<i>Travel Alberta Corporation Act</i>

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Consolidation

The accounts of the organizations listed in Note 2(a) above have been consolidated. Revenue and expense transactions, investing, capital and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

(c) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Investment income earned from restricted sources are deferred and recognized when the terms imposed have been met. Gains and losses on investments are not recognized in the Consolidated Statement of Operations until realized.

Government Transfers

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

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer or the stipulations together with the Ministry's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Ministry complies with its communicated uses of these transfers.

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

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

(c) Basis of Financial Reporting (continued)

Revenues (continued)

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Ministry may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Ministry's credit or recovery initiatives.

Investment Income

Investment income includes interest income earned on the Consolidated Cash Investment Trust Fund of the Province of Alberta accounts.

Donations

Donations and non-government grants are received from individuals, corporations, and private sector not-for-profit organizations. Donations may be unrestricted or externally restricted for operating or capital purposes.

Expenses

Directly Incurred

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

Grant Expense

Grants are recognized as expenses when authorized, eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime and contaminated sites.
- transfer of tangible capital assets to other ministries.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

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

(c) Basis of Financial Reporting (continued)

Expenses (continued)

Incurring by Others

Services contributed by other entities in support of the Ministry's operations are not recognized but disclosed in Schedule 4 and allocated to programs in Schedule 5.

Valuation of Financial Assets and Liabilities

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

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

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

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

Inventories for Resale

Inventories for resale are valued at the lower of cost and net realizable value. Cost is determined on first-in, first-out basis.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

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

(c) Basis of Financial Reporting (continued)

Financial Assets (continued)

Endowments

Endowments are included in Financial Assets in the Consolidated Statement of Financial Position. Donors have placed restrictions on their contributions to endowments, for example capital preservation. The principal restriction is that the original contribution should be maintained intact in perpetuity. Other restrictions may include spending investment income earned by endowments for specific operational or capital purposes, or capitalizing a certain amount of investment income to maintain and grow the real value of endowments.

Liabilities

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

Liabilities for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liabilities are recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from operation(s) that is no longer in productive use and is recognized when all the following criteria are met:

- (1) an environmental standard exists;
- (2) contamination exceeds the environmental standard;
- (3) the Ministry is directly responsible or accepts responsibility;
- (4) it is expected that future economic benefits will be given up; and
- (5) a reasonable estimate of the amount can be made.

Non-Financial Assets

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

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

Non-financial assets of the Ministry are limited to tangible capital assets and prepaid expenses.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

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

(c) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

Tangible capital assets of the Ministry are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land, with exception of Crown lands, is capitalized.

Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

Amortization is only charged if the tangible capital asset is put into service.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind.

Prepaid Expenses

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

Artworks and Collections

Works of art, historical treasures and collections are not recognized in these financial statements. Purchases of collection items are expensed in the period in which the items are acquired. Donations of collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recognized at nominal value.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Liabilities for contaminated sites are recognized in the amount of \$16,572 (2017 – \$16,879) for Heritage, based on management's best estimates that reflect the environmental information known at the time. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

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

(d) Change in Accounting Policy

The ministry has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3380 Contractual Rights which are reflected in Note 2, Note 7, Schedule 4 and Schedule 5.

Additionally, PS 3320 Contingent Assets has been adopted by the ministry, but had no impact on the financial statements.

(e) Future Accounting Changes

The Public Sector Accounting Board issued these following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201, Financial Statement Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 3 Government Reorganization
(in thousands)

Effective September 1, 2017, Communications and Public Engagement branches were transferred from each ministry to the Ministry of Treasury Board and Finance. Comparatives for 2017 have been restated as if the current organization structure had always been the same. The opening net assets (or liabilities) and net financial assets (or debt) as at April 1, 2016 are restated as follows:

Net Debt as previously reported	\$	(123)
Transfer to TBF		134
Net Debt, as of April 1, 2016	<u>\$</u>	<u>11</u>

Net Debt on April 1, 2016 are made up as follows:

Net Assets as previously reported	\$	22,072
Net Assets Transfer to TBF		134
Net Assets as of April 1, 2016	<u>\$</u>	<u>22,206</u>

Note 4 Cash and Cash Equivalents
(in thousands)

	<u>2018</u>	<u>2017</u>
Unrestricted Cash	\$ 21,843	\$ 32,003
Externally Restricted Cash	1,811	1,805
Internally Restricted Cash	<u>14,259</u>	<u>12,488</u>
Total	37,913	46,296
Endowment Funds	<u>444</u>	<u>444</u>
Total	<u>\$ 38,357</u>	<u>\$ 46,470</u>

Cash and cash equivalents consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by CCITF have a time-weighted return of 1.1% (2017 – 0.9%) per annum.

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 5 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018		2017	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 3,230	\$ -	\$ 3,230	\$ 1,710

Note 6 Endowments
(in thousands)

The composition of Endowments is as follows:

	2018	2017
Balance, Beginning of Year	\$ 444	\$ 443
Endowment Contributions	-	1
Balance, End of Year	\$ 444	\$ 444

The Endowment Fund is made up of contributions by the Ministry \$205 (2017 - \$205) and Third Party \$239 (2017 - \$239). These funds are held until perpetuity and earn interest based on the CCITF time-weighted return of 1.1% per annum (2017 – 0.9% per annum).

The accumulated interest on the principal amount is available for distribution upon request by various sport organizations and individuals associated with the funds.

The Endowments were designed to help sport development in Alberta.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 7 Contractual Rights
(in thousands)

Contractual rights are rights of The Ministry of Culture and Tourism to economic resources arising from land grazing lease contracts and rental agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2018	2017
Contractual rights at End of Year	\$ 1,458	\$ 2,788

Estimated amounts that will be received for each of the next five years and thereafter are as follows:

	Contract and Operating Leases
2018-19	\$ 1,418
2019-20	31
2020-21	1
2021-22	1
2022-23	1
Thereafter	6
	\$ 1,458

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 8 Accounts Payable and Accrued Liabilities
(in thousands)

	2018	2017
Accounts Payable	9,335	8,336
Other Accrued Liabilities	\$ 70,122	\$ 23,406
	\$ 79,457	\$ 31,742

Note 9 Deferred Contributions
(in thousands)

	2018	2017
Unearned Revenue (a)	\$ 334	\$ 457
Deferred Contributions (b)	1,887	1,887
	\$ 2,221	\$ 2,344

(a) Unearned Revenue
 Represent amounts received in advance of providing goods or services.

	2018	2017
Balance, Beginning of Year	\$ 457	\$ 343
Received/Receivable During Year	442	551
Less Amounts Recognized as Revenue	(565)	(437)
Balance, End of Year	\$ 334	\$ 457

(b) Deferred Contributions
 Represent externally restricted contributions received relating to expenses of future years.

	2018	2017
Balance, Beginning of Year	\$ 1887	\$ 2,078
Received/Receivable During Year	77	142
Less Amounts Transferred to Alberta Environment and Parks	-	(132)
Less Amounts Recognized as Revenue	(77)	(201)
Balance, End of Year	\$ 1,887	\$ 1,887

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 10 Liabilities for Contaminated Sites
(in thousands)

The composition of liabilities is as follows:

	2018	2017
Liabilities at Beginning of Year	\$ 16,879	\$ 7,206
Additions to Liabilities During the Year	-	10,000
Remediation Work Performed	(307)	(327)
Liabilities at End of Year	\$ 16,572	\$ 16,879

The Ministry has accepted responsibility and is performing remediation work at three provincial historic sites (Turner Valley Gas Plant, Greenhill Mine and Bitumount) which have remnants of industrial activity that occurred prior to present day reclamation standards and guidelines. The current remediation plan covers activities for the next few years to ensure that the sites meet current regulatory standards for the environment and public health. The liability estimates are based on costs incurred in previous years, on consultants' reports and preliminary cost estimates, and on forecasting anticipated project costs in years to come. The anticipated timing of future expenditures is \$909 in 2018-19, \$2,735 in 2019-20, \$6,516 in 2020-21 and \$6,412 onwards.

Note 11 Contingent Liabilities
(in thousands)

The Ministry is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. The Ministry has been named in one (2017 - one) claim of which the outcome is not determinable. The (2017 - one) claim has no amount specified.

The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Note 12 Adjustment to Net Assets
(in thousands)

The reconciliation of adjustments to net assets is as follows:

	2018	2017
Non-Grant Transfer of Tangible Capital Assets from (to) other ministries	\$ -	\$ (824)
Other	-	(100)
	\$ -	\$ (924)

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 13 Contractual Obligations
(in thousands)

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

	2018	2017
Grants	\$ 111,990	\$ 106,750
Service Contracts	48,191	61,525
Operating Leases	2,058	2,965
Capital Construction	-	50
	\$ 162,239	\$ 171,290

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

	Grants	Service Contracts	Operating Leases	Total
2018-19	\$ 84,260	\$ 33,243	\$ 1,104	\$ 118,607
2019-20	27,346	6,643	923	34,912
2020-21	198	5,972	29	6,199
2021-22	148	1,318	1	1,467
2022-23	19	961	1	981
Thereafter	19	54	-	73
	\$ 111,990	\$ 48,191	\$ 2,058	\$ 162,239

Note 14 Benefit Plans
(in thousands)

The Ministry participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP), Public Service Pension Plan (PSPP) and Supplementary Retirement Plan (SRP) for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$7,898 for the year ended March 31, 2018 (2017 restated – \$8,706). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the Management Employees Pension Plan reported a surplus of \$866,006 (2016: surplus \$402,033), the Local Authorities Pension Plan reported a surplus of \$4,835,515 (2016: deficiency of \$637,357), the Public Service Pension Plan reported a surplus of \$1,275,843 (2016: surplus \$302,975) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$54,984 (2016: deficiency \$50,020).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$ 111,983 (2017: surplus of \$101,515) and the Management, Opted Out and Excluded Plan reported a surplus of \$29,805 (2017: surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2018

Note 15 Administration of Project on Behalf of Other Government Department
(in thousands)

The Ministry administers three projects on behalf of other Ministries under different memorandums of understanding (MOU). The details of those programs that are under administration and the expenses incurred by the Ministry are as follows:

Ministry	Date MOU Entered Into	Descriptions	2018	2017
Alberta Infrastructure	April 2015	Royal Alberta Museum renewal project administration	\$9,969	\$5,638
Alberta Infrastructure	July 2017	Reynolds Alberta Museum – collections facility east	70	-
Alberta Infrastructure	October 2017	Royal Tyrrell Museum of Palaeontology - hands-on learning space	368	-

Note 16 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 17 Approval of Consolidated Financial Statements

The deputy minister and the senior financial officer approved the consolidated financial statements.

Note 18 Subsequent Events

Effective: (1) April 1, 2018, the government consolidated human resource functions under the Public Service Commission within the Ministry of Treasury Board and Finance; (2) April 1, 2018, the government consolidated the *Freedom of Information and Protection of Privacy* (FOIP) delivery services under the Ministry of Service Alberta; (3) April 1, 2018, the government consolidated information management and technology services under the Ministry of Service Alberta.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Consolidated Revenues
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	\$ 80	\$ 52	\$ 95
Federal Government Grants			
Canada – Alberta Cooperation			
Agreement on French Language			
Services	785	929	764
Other	438	694	447
	1,223	1,623	1,211
Premiums, Fees and Licences			
Admission Fees	5,577	6,913	6,268
Film Classification	750	953	741
Lands and Grazing	-	28	28
Other	595	480	460
	6,922	8,374	7,497
Investment Income			
Interest	417	615	478
Other Revenue			
Sales	4,846	4,752	3,896
Rental Revenue	3,731	3,998	3,340
Recoveries	-	1,374	1,356
Donations and Contributions in Kind	4,440	4,184	2,531
Prior Year Refunds of Expenses	572	1,175	596
Other	4,544	2,332	2,833
	18,133	17,815	14,552
Total Revenues	\$ 26,775	\$ 28,479	\$ 23,833

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Credit or Recovery
Year Ended March 31, 2018
(in thousands)

	Authorized ⁽¹⁾	Actual Revenue Recognized ⁽²⁾	(Shortfall)/ Excess ⁽³⁾
Royal Alberta Museum ⁽⁴⁾	\$ 1,410	\$ 1,264	\$ (146)
Francophone Secretariat ⁽⁵⁾	935	929	(6)
Department ⁽⁶⁾	7,000	6,633	(367)
	<u>\$ 9,345</u>	<u>8,826</u>	<u>\$ (519)</u>

(1) Treasury Board Minute No.18/2017 approves an increase of \$410 to the recoveries for the Royal Alberta Museum under the Expense vote of Culture and Tourism. Treasury Board Minute No.05/2018 approves an increase of \$150 in the credit or recoveries for Francophone Secretariat.

(2) Revenues from Credit or Recovery initiatives are included in the Ministry's revenues in the Consolidated Statement of Operations and Schedule 1.

(3) Shortfall is deducted from current year's authorized budget, as disclosed in Schedule 4 to the financial statements.

(4) Funding from the Alberta Biodiversity Institute for specimen sorting, identification, and storage which assists in assessing the impact of land management practices on biodiversity.

(5) Francophone Secretariat administers the provision of federal government funding to francophone communities to support the planning and delivery of quality French-language services and to support initiatives aimed at contributing to the development of francophone communities.

Treasury Board Memo for Third Quarter Fiscal update approved an increase in operating expense for the Francophone Secretariat, fully offset by the federal grant.

(6) The Department provides financial and administrative services to the funds and agencies of the Ministry of Culture and Tourism. Costs incurred by the Department for these services are recovered.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Expenses – Directly Incurred Detailed By Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Grants	\$ 197,696	\$ 227,872	\$ 188,905
Salaries, Wages and Employee Benefits	80,315	72,180	73,702
Supplies and Services	72,404	69,524	68,547
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	32	32	58
Amortization of Tangible Capital Assets	3,095	2,814	3,000
Inventory Consumption	650	311	302
Other	65	263	10,309
	<u>\$ 354,257</u>	<u>\$ 372,996</u>	<u>\$ 344,823</u>

⁽¹⁾ In the fiscal year 2016-17 The Ministry receives Information Technology Infrastructure Management Services from the Ministry of Treasury Board and Finance, and in the fiscal year 2016-17 and 2017-18, the Ministry received administrative services from the Ministry of Alberta Environment and Parks.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel and close family members of those individuals in the Ministry. The Ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

At March 31, 2017 related parties included:

Two private companies which have a significant shareholder acting as a director and officer who has served as a Director of Travel Alberta since April 1, 2013 and ended his Director term on September 30, 2016.

One of the private companies provides printing services to Travel Alberta amounting to \$13 up to September 30, 2016. These services were provided on normal commercial terms which represent fair value.

The other private company holds a long term lease with Travel Alberta for its Calgary office premises. Travel Alberta entered into the lease contract in September 2009 and paid \$500 up to September 30, 2016 pursuant to the lease terms. The lease is based on normal commercial terms and the lease terms represented fair value at the inception of the lease.

A globally integrated enterprise which had one of its Canadian executives serving as a Director of Travel Alberta since April 1, 2013 and who retired from her executive position on July 31, 2016.

The enterprise provides IT services to Travel Alberta amounting to \$78 up to July 31, 2016. These services were provided on normal commercial terms which represent fair value.

At March 31, 2018, there are no related parties transactions associated with:

- Key management personnel and close family members of those individuals in the Ministry.
- Companies connected to members of the Ministry agencies' Board of Directors.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

The Ministry had the following transactions with related parties reported in the consolidated Statement of Operations and the consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties. Related parties also include key management personnel and close family members of those individuals in the ministry

	<u>2018</u>	<u>2017</u>
Revenues		
Alberta Heritage Scholarship Fund	\$ 52	\$ 55
Tangible Capital Assets	-	293
Other Revenue	<u>26</u>	<u>50</u>
	<u>\$ 78</u>	<u>\$ 398</u>
Expenses – Directly Incurred		
Grants	\$ 4,231	\$ 4,094
Other Services	<u>3,105</u>	<u>3,438</u>
	<u>\$ 7,336</u>	<u>\$ 7,532</u>
Payable to	<u>\$ 1,653</u>	<u>\$ 13</u>
Receivable from	<u>\$ 269</u>	<u>\$ 13</u>
Contractual Obligations	<u>\$ 2,644</u>	<u>\$ 3,792</u>
Contractual Rights	<u>\$ 164</u>	<u>\$ 440</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

The Ministry 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 recognized in the consolidated financial statements but are disclosed in Schedule 5.

	2018	2017
Expenses – Incurred by Others		
Accommodation	\$ 47,307	\$ 46,151
Legal Services	183	222
Business Services	2,747	2,642
	\$ 50,237	\$ 49,015

Ministry of Culture and Tourism
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2018
(in thousands)

Program	Expenses – Incurred by Others					Total Expenses	Total Expenses	Restated (Note 3)
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Business Services ⁽⁴⁾				
Ministry Support Services	\$ 12,609	\$ 729	\$ 29	\$ 432	\$ 13,799	\$ 13,812		
Community and Voluntary Support Services	128,230	976	9	372	129,587	97,703		
Creative Industries	88,512	10,399	45	233	99,189	87,797		
Francophone Secretariat	1,489	81	1	21	1,592	1,502		
Heritage	56,511	33,871	87	1,323	91,792	98,377		
Recreation and Physical Activity	26,574	669	12	200	27,455	29,207		
Tourism	59,071	582	-	166	59,819	62,760		
2013 Alberta Flooding	-	-	-	-	-	2,671		
Climate Leadership Plan	-	-	-	-	-	9		
	\$ 372,996	\$ 47,307	\$ 183	\$ 2,747	\$ 423,233	\$ 393,838		

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

(2) The Ministry of Infrastructure provided accommodations. Costs shown for Accommodation on Schedule 4, allocated by square footage.

(3) The Ministry of Justice and Solicitor General provided legal services. Costs for Legal Services on Schedule 4, allocated by estimated costs incurred by each program.

(4) Cost shown for Business Services include charges for IT support, vehicles, air transportation, internal audit services and other service on Schedule 4, allocated by costs in certain programs.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2018
(in thousands)

	2018				2017	
	General Capital Assets		Infrastructure Assets		Total	Total
	Equipment ⁽¹⁾	Computer Hardware and Software	Land	Land Improvements		
Estimated Useful Life	3-10 years	5-8 years	Indefinite	40 years		
Historical Cost ⁽²⁾						
Beginning of Year	\$ 30,434	\$ 9,125	\$ 5,193	\$ 2,466	\$ 47,218	\$ 46,648
Additions	2,236	-	-	16	2,252	2,545
Disposals, including Write-Downs	(2,003)	(476)	-	-	(2,479)	(637)
Transfers to Others ⁽³⁾	(152)	152	2	-	2	(1,338)
	\$ 30,515	\$ 8,801	\$ 5,195	\$ 2,482	\$ 46,993	\$ 47,218
Accumulated Amortization						
Beginning of Year	\$ 18,840	\$ 6,886	\$ -	\$ 739	\$ 26,465	\$ 24,494
Amortization Expense	2,113	608	-	93	2,814	3,000
Effect of Disposal	(1,922)	(464)	-	-	(2,386)	(515)
Transfers to Others	(1)	1	-	-	-	(514)
	\$ 19,030	\$ 7,031	\$ -	\$ 832	\$ 26,893	\$ 26,465
Net Book Value at March 31, 2018	\$ 11,485	\$ 1,770	\$ 5,195	\$ 1,650	\$ 20,100	\$ 20,100
Net Book Value at March 31, 2017	\$ 11,594	\$ 2,239	\$ 5,193	\$ 1,727	\$ 20,753	\$ 20,753

⁽¹⁾ Equipment includes heritage markers, network switches and routers, vehicles, office equipment and furniture, and other equipment.

⁽²⁾ Historical cost includes work-in-progress at March 31, 2018 totalling \$1,910 (2017 - \$2,041) comprised of: equipment \$1,910 (2017 - \$2,006); and computer hardware and software nil (2017 - \$35).

⁽³⁾ Transfer of land was made from the Ministry of Alberta Environment and Parks at a net book value of \$2.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Artworks and Collections
Year Ended March 31, 2018
(Unaudited)

Collections consist of cultural and scientific artifacts, archival holdings and works of art of provincial, national and international significance that are located in government-owned museums, historic sites and the Provincial Archives. The Ministry has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. Significant artifacts, specimens and records are insured. A description of the collections is as follows:

- (a) The collections of the Royal Alberta Museum represent Alberta's highly diverse cultural and natural heritage. They consist of 2,322,000 natural history specimens, 162,700 ethnological and historical artifacts, and millions of archaeological objects spanning 10,000 years of Alberta history. The collections include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, art, textile collections and archaeological materials recovered in Alberta through Historic Resources Impact Assessments. All collections include associated documentation and, in many cases, images and other media.
- (b) The Royal Alberta Museum also is responsible for managing approximately 83,020 artifacts for the Ministry's historic sites. Approximately 8,000 objects are used to furnish the historical buildings at the Ukrainian Cultural Heritage Village, while an additional 5,000 objects are located at smaller sites throughout the province. The remaining artifacts are preserved in storage.
- (c) The Royal Tyrrell Museum of Palaeontology collections contain over 160,000 catalogued specimens that document the early history of life on earth. The collections include fossils, geological samples, comparative zoology specimens, and an extensive dinosaur mold and cast collection, as well as palaeontological materials recovered in Alberta through Historic Resource Impact Assessments. The Royal Tyrrell Museum is also responsible for one palaeontological site in southern Alberta and one geological site in central Alberta.
- (d) The Historic Sites and Museums Branch preserves and presents Alberta's history at two museums (Reynolds-Alberta Museum and Remington Carriage Museum), three interpretive centres (Oil Sands Discovery Centre, Head-Smashed-In Buffalo Jump and Frank Slide Interpretive Centre), seven developed historic sites (Leitch Collieries, Stephansson House, Victoria Settlement, Brooks Aqueduct, Father Lacombe Chapel, Fort George and Buckingham House, and Historic Dunvegan), one developed historic site leased to a society (Lougheed House), one developed site leased from the University of Alberta (Rutherford House), and one historic site currently under development (Turner Valley Gas Plant).
- (e) The Reynolds-Alberta Museum is responsible for approximately 6,500 agricultural, industrial and transportation artifacts. This includes 467 cars, trucks and motorcycles; 365 tractors and engines; 396 agricultural machines and 467 industrial artifacts. Also included are 104 vintage aircraft, the second largest collection in Canada. The museum houses over 900 linear metres of documents relating to its mechanization themes.
- (f) The Remington Carriage Museum houses one of the largest collections of horse-drawn vehicles in North America, with over 325 carriages, buggies, wagons and sleighs, and approximately 760 associated small artifacts.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Artworks and Collections
Year Ended March 31, 2018
(Unaudited)

- (g) The Ukrainian Cultural Heritage Village contains 60 historical buildings that document Ukrainian settlement in east-central Alberta from 1892 to 1930. Structures include a grain elevator, sod house, blacksmith shop, farm buildings and churches.
- (h) The Historic Resources Management Branch is responsible for eight undeveloped historic sites, two developed historic sites, two developed sites leased to non-government entities, 14 cairns, and six archaeological sites.
- (i) The Heritage Division is also responsible for approximately 1,752 hectares of historically significant land.
- (j) The Provincial Archives of Alberta holds approximately 55,955 linear metres of government textual records; 4,635 linear metres of private records; 155,290 maps, plans and drawings; 1,880,255 photographic images; 72,185 objects of audiovisual holdings such as film, video and audio recordings; and 14,940 volumes of library holdings.
- (k) The government-owned heritage collections also include materials that are managed under contract by the Glenbow Museum. Glenbow provides public access to collections that include approximately 200,000 natural and human history artifacts, 3,700 linear metres of textual and archival records, over 2.1 million historical photographs, 350 hours of film footage and 7,400 sound recordings.
- (l) The Arts Branch manages 14 collections containing approximately 2,000 donated, purchased and/or commissioned artworks.
- (m) The Alberta Sport Connection has artwork consisting of 17 prints (2017 – 17 prints) of the Waterfowl North America Collection #1250 with an approximate value of \$5,000 (2017 - \$5,000).
- (n) The Government House actively collects various significant items pertaining to the history of Government House. The collection is accessible to the public and consists of paintings, drawings, prints, sculptures, furnishings, books and silverware. Parts of the collection are used or displayed in Government House, while some items are housed and managed by other provincial institutions.

At March 31, 2018, the collection consisted of 655 (2017– 655) pieces of artworks and other items, with an estimated value of \$1,051,680 (2017 – \$1,051,680). There were no purchases donations or dispositions during the year. The collection is insured.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Artworks and Collections
Year Ended March 31, 2018
(Unaudited)

- (o) 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 March 31, 2018, the collection consisted of 9,049 (2017 – 8,925) artworks. The Foundation has estimated the value at \$16,370,749 (2017 - \$15,064,722). During the year, the Foundation purchased 84 (2016 – 50) artworks at a cost of \$1,250,577 (2017 - \$239,920). There were 42 (2017 - 75) donations to the collection during the year. These donations were appraised at a value of \$56,350 (2017 - \$134,320). There was no artwork disposition during the year (2017 - none). The collection is insured.

- (p) The Alberta Historical Resources Foundation has a collection of historical assets, which are comprised of paintings, sketches, photographs and antique furnishings. At March 31, 2018, the collection consisted of 374 (2017 - 374) artworks with an estimated value of \$15,940 (2017 - \$15,940) and 30 (2017 - 30) antique furnishings with an estimated value of \$12,700 (2017 - \$12,700). During the year, the Foundation did not acquire any historical assets (2017 – Nil). There were no artwork dispositions during the year (2017 – Nil). The collection is insured.

Department of Culture and Tourism

Financial Statements

March 31, 2018

**Department of Culture and Tourism
Financial Statements
March 31, 2018**

Independent Auditor's Report

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Independent Auditor's Report

To the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Culture and Tourism, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Culture and Tourism as at March 31, 2018, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 6, 2018

Edmonton, Alberta

Department of Culture and Tourism
Statement of Operations
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 80	\$ 52	\$ 55
Federal Government Grants	785	929	764
Premiums, Fees and Licences	750	953	741
Other	10,596	12,010	2,885
	<u>12,211</u>	<u>13,944</u>	<u>4,445</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 3, 4, 7 and 8)			
Ministry Support Services	15,009	12,609	12,483
Community and Voluntary Support Services	115,094	128,230	96,440
Creative Industries	72,524	86,046	71,648
Francophone Secretariat	1,540	1,489	1,426
Heritage	50,383	49,444	54,265
Recreation and Physical Activity	24,761	24,583	26,426
Tourism	60,052	56,675	59,677
2013 Alberta Flooding	-	-	2,671
Climate Leadership Plan	-	-	9
	<u>339,363</u>	<u>359,076</u>	<u>325,045</u>
Annual Deficit	<u>\$ (327,152)</u>	<u>\$ (345,132)</u>	<u>\$ (320,600)</u>

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

Department of Culture and Tourism
Statement of Financial Position
As at March 31, 2018
(in thousands)

	2018	2017
		Restated (Note 3)
Financial Assets		
Cash	\$ 143	\$ 26
Accounts Receivable (Note 4)	1,400	11,651
	1,543	11,677
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	65,678	20,763
Liabilities for Contaminated Sites (Note 6)	16,572	16,879
	82,250	37,642
Net Debt	(80,707)	(25,965)
Non-Financial Assets		
Tangible Capital Assets (Schedule 9)	14,257	14,526
Net Debt	(66,450)	(11,439)
Net Liabilities at Beginning of Year	(11,439)	(9,144)
Annual Deficit	(345,132)	(320,600)
Non-Grant Transfer (out) of Tangible Capital Assets	-	(293)
Net Financing Provided from General Revenues	290,121	318,598
Net (Liabilities) at End of Year	\$ (66,450)	\$ (11,439)

Contingent Liabilities and Contractual Obligations (Notes 7 and 8)

Department of Culture and Tourism
Statement of Change in Net Debt
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Annual Deficit	\$ (327,152)	\$ (345,132)	\$ (320,600)
Acquisition of Tangible Capital Assets (Schedule 9)	(2,041)	(1,775)	(2,025)
Amortization of Tangible Capital Assets (Schedule 9)	2,100	1,953	2,087
Loss on Sale of Tangible Capital Assets		93	87
Transfer (in) Tangible Capital Assets from Alberta Environment and Parks		(2)	-
Proceeds on Sale of Tangible Capital Assets		-	13
Net Financing Provided from General Revenue		290,121	318,598
Increase in Net Debt		\$ (54,742)	\$ (1,840)
Net Debt at Beginning of Year		(25,965)	(24,125)
Net Debt at End of Year		\$ (80,707)	\$ (25,965)

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

Department of Culture and Tourism
Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)

	2018	2017
		Restated (Note 3)
Operating Transactions		
Annual Deficit	\$ (345,132)	\$ (320,600)
Non-cash Items Included in Annual Deficit		
Amortization of Tangible Capital Assets (Schedule 9)	1,953	2,087
Transfer of Tangible Capital Assets (from) Alberta Environment and Parks	(2)	-
Loss on Disposal of Tangible Capital Assets	93	87
	(343,088)	(318,426)
Decrease (Increase) in Accounts Receivable	10,251	(10,256)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	44,915	(3,996)
(Decrease) Increase in Liabilities for Contaminated Sites	(307)	9,673
Cash (Applied to) Operating Transactions	(288,229)	(323,005)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 9)	(1,775)	(2,025)
Proceeds on Sale of Tangible Capital Assets (Schedule 9)	-	13
Cash (Applied to) Capital Transactions	(1,775)	(2,012)
Financing Transactions		
Net Financing Provided from General Revenues	290,121	318,598
Cash Provided from Financing Transactions	290,121	318,598
Increase (Decrease) in Cash	117	(6,419)
Cash and Cash Equivalents at Beginning of Year	26	6,445
Cash and Cash Equivalents at End of Year	\$ 143	\$ 26

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

Note 1 Authority and Purpose

The Department of Culture and Tourism (Department) operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to diversify the economy, help create jobs and make life better for Albertans. This is done by working towards the following desired outcomes:

- Alberta has a thriving culture that is valued by Albertans;
- Alberta's rich heritage is promoted, and historical resources are preserved and accessible to Albertans, Canadians and international audiences;
- Tourism provides sustainable economic growth to all regions of Alberta;
- Alberta has resilient and engaged communities supported by a strong nonprofit/voluntary sector;
- Albertans enjoy improved health and wellness and strong communities through recreation and active living; and
- Alberta has a sustainable, vibrant arts sector and cultural industries that inspire creativity and innovation.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Department of Culture and Tourism, which is part of the Ministry of Culture and Tourism (Ministry) and for which the Minister of Culture and Tourism (the Minister) is accountable.

Other entities reporting to the Minister are:

- Alberta Foundation for the Arts;
- Alberta Sport Connection;
- Historic Resources Fund;
- The Alberta Historical Resources Foundation; and
- Travel Alberta Corporation.

The activities of these organizations are not included in these financial statements.

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.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

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

(a) Reporting Entity (continued)

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the President of Treasury Board and Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net Financing provided from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year-end is recognized as unearned revenue.

Government Transfers

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

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the Department's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Department complies with its communicated uses of these transfers.

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

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the government estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the Department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the Department's credit or recovery initiatives.

Transfer of Tangible Capital Assets from Other Government Departments/Entities

Transfers of tangible capital assets from other government departments or entities are recognized as revenue.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

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

Grants are recognized as expenses when authorized, eligibility criteria are met by the recipients and a reasonable estimate of the amounts can be made.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime and contaminated sites.
- transfers of tangible capital assets to other government departments or entities.

Incurred by Others

Services contributed by other entities in support of the Department's operations are not recognized but are disclosed in Schedule 7 and allocated to programs in Schedule 8.

Valuation of Financial Assets and Liabilities

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

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Accounts Receivable

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

Liabilities

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

Liabilities for Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liabilities are recorded net of any expected recoveries. A liability for remediation of contaminated sites normally results from an operation that is no longer in productive use and is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the department is directly responsible or accepts responsibility;
- iv. it is expected that future economic benefits will be given up; and
- v. a reasonable estimate of the amount can be made.

Non-Financial Assets

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

- i. are normally employed to deliver government services;
- ii. may be consumed in the normal course of operations; and
- iii. are not for sale in the normal course of operations.

Non-financial assets of the Department are limited to tangible capital assets.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

Tangible capital assets of the Department are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land, with the exception of Crown lands, is capitalized.

Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

Amortization is only charged if the tangible capital asset is put into service.

When physical assets (tangible capital assets and inventories of supplies) are gifted or sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind.

Artworks and Collections

Works of art, historical treasures and collections are not recognized in these financial statements. Purchases of collection items are expensed in the period in which the items are acquired. Donations of collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Liabilities for contaminated sites are recognized in the amount of \$16,572 (2017 – \$16,879) for Heritage, based on management's best estimates that reflect the environmental information known at the time. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

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

(c) Change in Accounting Policy

The department has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions and PS 3210 Assets which are reflected in Note 2, Schedule 3, Schedule 7 and Schedule 8.

Additionally, PS 3320 Contingent Assets and PS 3380 Contractual Rights have been adopted by the department, but had no impact on the financial statements.

(d) Future Accounting Changes

The Public Sector Accounting Board has issued these following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation; PS 1201, Financial Statement Presentation, and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

Note 3 Government Reorganization
(in thousands)

Effective September 1, 2017, Communications and Public Engagement branches were transferred from each department to the Department of Treasury Board and Finance (TBF). Comparatives for 2017 have been restated as if the current organization structure had always been the same.

Net (Liabilities) on April 1, 2016 are made up as follows:

Net Debt as previously reported	\$	(24,259)
Transfer to TBF		134
Net Debt as of April 1, 2016	\$	<u>(24,125)</u>

Net Debt on April 1, 2016 are made up as follows:

Net (Liabilities) as previously reported	\$	(9,278)
Transfer to TBF		134
Net (Liabilities) as of April 1, 2016	\$	<u>(9,144)</u>

Note 4 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	<u>2018</u>		<u>2017</u>	
	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Realizable Value</u>	<u>Net Realizable Value</u>
Accounts Receivable	\$ 1,400	\$ -	\$ 1,400	\$ 11,651

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

Note 5 Accounts Payable and Accrued Liabilities
(in thousands)

	2018	2017
Accounts Payable	\$ 1,208	\$ 1,865
Other Accrued Liabilities	64,470	18,898
	\$ 65,678	\$ 20,763

Note 6 Liabilities for Contaminated Sites
(in thousands)

The composition of liabilities is as follows:

	2018	2017
Liabilities at Beginning of Year	\$ 16,879	\$ 7,206
Additions to Liabilities During the Year	-	10,000
Change in Estimate Related to Existing Sites	-	-
Remediation Work Performed	(307)	(327)
Liabilities at End of Year	\$ 16,572	\$ 16,879

The Department has accepted responsibility and is performing remediation work at three provincial historic sites (Turner Valley Gas Plant, Greenhill Mine and Bitumount) which have remnants of industrial activity that occurred prior to present day remediation standards and guidelines. The current remediation plan covers activities for the next few years to ensure that the sites meet current regulatory standards for the environment and public health. The liability estimates are based on costs incurred in previous years, on consultants' reports and preliminary cost estimates, and on forecasting anticipated project costs in years to come. The anticipated timing of future expenditures for each of the next four years and thereafter are as follows:

	Turner Valley Gas Plant	Greenhill	Bitumount	Total
2018-19	\$ 507	\$ 201	\$ 201	\$ 909
2019-20	2,213	103	419	2,735
2020-21	4,703	1,501	312	6,516
2022-onwards	5,311	-	1,101	6,412
	\$ 12,734	\$ 1,805	\$ 2,033	\$ 16,572

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

Note 7 Contingent Liabilities
(in thousands)

The Department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. The Department has been named in one (2017 - one) claim of which the outcome is not determinable. The one (2017 - one) claim has no amount specified.

The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Note 8 Contractual Obligations
(in thousands)

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

	2018	2017
Grants	\$ 89,262	\$ 95,267
Service Contracts	8,119	13,653
Operating Leases	43	-
Capital Construction	-	50
	\$ 97,383	\$ 108,970

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

	Grants	Service Contracts	Leases	Total
2018-19	\$ 71,538	\$ 6,020	\$ 21	\$ 77,579
2019-20	17,724	1,151	11	18,886
2020-21	-	907	11	918
2021-22	-	-	-	-
Thereafter	-	-	-	-
	\$ 89,262	\$ 8,078	\$ 43	\$ 97,383

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

Note 9 Benefit Plans
(in thousands)

The Department participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP), Public Service Pension Plan (PSPP) and Supplementary Retirement Plan (SRP) for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$6,573 for the year ended March 31, 2018 (2017 restated – \$7,171). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the Management Employees Pension Plan reported a surplus of \$866,006 (2016: surplus \$402,033), the Local Authorities Pension Plan reported a surplus of \$4,835,515 (2016: deficiency of \$637,357), the Public Service Pension Plan reported a surplus of \$1,275,843 (2016: surplus \$302,975) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$54,984 (2016: deficiency \$50,020).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$ 111,983 (2017: surplus of \$101,515) and the Management, Opted Out and Excluded Plan reported a surplus of \$29,805 (2017: surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 10 Administration of Projects on Behalf of Other Government Department
(in thousands)

The department administers three projects on behalf of other departments under different memorandums of understanding (MOU). The details of those programs that are under administration and the expenses incurred by the department are as follows:

Departments	Date MOU Entered Into	Descriptions	2017-18	2016-17
Alberta Infrastructure	April, 2015	Royal Alberta Museum - renewal project administration	\$ 9,969	\$ 5,638
Alberta Infrastructure	July, 2017	Reynolds Alberta Museum – collections facility east	70	-
Alberta Infrastructure	October, 2017	Royal Tyrrell Museum of Palaeontology - hands-on learning space	368	-

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2018

Note 11 Subsequent Events

Effective: (1) April 1, 2018, the government consolidated human resource functions under the Public Service Commission within the Department of Treasury Board and Finance; (2) April 1, 2018, the government consolidated *the Freedom of Information and Protection of Privacy* (FOIP) delivery services under the Department of Service Alberta; (3) April 1, 2018, the government consolidated information management and technology services under the Department of Service Alberta.

Note 12 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 13 Approval of Financial Statements

The deputy minister and the senior financial officer approved these financial statements.

Department of Culture and Tourism
Schedule to Financial Statements
Revenues
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	\$ 80	\$ 52	\$ 55
Federal Government Grants			
Canada – Alberta Cooperation Agreement on French Language Services	785	929	764
Premiums, Fees and Licences			
Film Classification	750	953	741
Other			
Donations and Contributions in Kind	2,000	2,985	1,217
Prior Years Refunds of Expenses	472	987	430
Other	8,124	8,038	1,238
	10,596	12,010	2,885
Total Revenues	\$ 12,211	\$ 13,944	\$ 4,445

Department of Culture and Tourism
Schedule to Financial Statements
Credit or Recovery
Year Ended March 31, 2018
(in thousands)

	Authorized ⁽¹⁾	Actual Revenue Recognized ⁽²⁾	(Shortfall)/ Excess ⁽³⁾
Royal Alberta Museum ⁽⁴⁾	\$ 1,410	\$ 1,264	\$ (146)
Francophone Secretariat ⁽⁵⁾	935	929	(6)
Department ⁽⁶⁾	7,000	6,633	(367)
	<u>\$ 9,345</u>	<u>8,826</u>	<u>\$ (519)</u>

- (1) Treasury Board Minute No.18/2017 approves an increase of \$410 to the recoveries for the Royal Alberta Museum under the Expense vote of Culture and Tourism. Treasury Board Minute No.05/2018 approves an increase of \$150 in the credit or recoveries for Francophone Secretariat.
- (2) Revenues from Credit or Recovery initiatives are included in the Department's revenues in the Statement of Operations and Schedule 1.
- (3) Shortfall is deducted from current year's authorized budget, as disclosed in Schedule 4 to the financial statements.
- (4) Funding from the Alberta Biodiversity Institute for specimen sorting, identification, and storage which assists in assessing the impact of land management practices on biodiversity.
- (5) Francophone Secretariat administers the provision of federal government funding to francophone communities to support the planning and delivery of quality French-language services and to support initiatives aimed at contributing to the development of francophone communities.
- (6) The Department provides financial and administrative services to the funds and agencies of the Ministry of Culture and Tourism. Costs incurred by the Department for these services are recovered.

Department of Culture and Tourism
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual Restated (Note 3)
Grants	\$ 252,667	\$ 280,669	\$ 242,336
Salaries, Wages and Employee Benefits	67,034	60,695	61,533
Supplies and Services	17,497	15,602	15,709
Amortization of Tangible Capital Assets	2,100	1,953	2,087
Supplies and Services from Support Service Arrangements with Related Party ⁽¹⁾	-	-	26
Other	65	157	10,162
Total Expenses before Recoveries	339,363	359,076	331,853
Less: Recovery from Support Service Arrangements With Related Parties ⁽²⁾	-	-	(6,808)
	\$ 339,363	\$ 359,076	\$ 325,045

⁽¹⁾ The Department receives Information Technology Infrastructure Management services from the Department of Treasury Board and Finance.

⁽²⁾ The Department provides financial and administrative services to the funds and agencies of the Ministry of Culture and Tourism. Costs incurred by the Department for these services are recovered.

Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2018
(in thousands)

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense						
Ministry Support Services						
1.1 Minister's Office	\$ 775	\$ -	-	\$ 775	\$ 803	\$ (28)
1.2 Deputy Minister's Office	600	-	-	600	564	36
1.3 Human Resources	1,420	-	-	1,420	1,306	114
1.4 Communications	1,275	-	(1,275)	-	-	-
1.5 Corporate Services	10,249	-	(339)	9,910	9,504	406
	14,319	-	(1,614)	12,705	12,177	528
Community and Voluntary Support Services						
2.1 Program Support	785	-	-	785	586	199
2.2 Community Engagement	10,425	-	-	10,425	7,928	2,497
2.3 Community Initiatives Program	24,585	-	-	24,585	21,077	3,508
2.4 Other Initiatives	2,000	6,750	-	8,750	18,285	(9,535)
2.5 Major Fairs	15,350	-	-	15,350	15,348	2
	53,145	6,750	-	59,895	63,224	(3,329)

**Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2018
(in thousands)**

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense (continued)						
Creative Industries						
3.1 Program Support	\$ 515	\$ -	\$ -	\$ 515	\$ 361	\$ 154
3.2 Arts	3,640	-	-	3,640	3,289	351
3.3 Cultural Industries	2,640	-	-	2,640	2,366	274
3.4 Alberta Media Fund	34,065	14,900	-	48,965	48,437	528
3.5 Assistance to the Alberta Foundation for the Arts	31,585	-	-	31,585	31,585	-
	72,445	14,900	-	87,345	86,038	1,307
4. Francophone Secretariat	1,540	-	150	1,690	1,478	212
Heritage						
5.1 Program Support	1,280	-	-	1,280	945	335
5.2 Royal Alberta Museum	14,790	-	410	15,200	13,246	1,954
5.3 Royal Tyrrell Museum	3,780	-	-	3,780	3,549	231
5.4 Historic Sites and Other Museums	9,690	-	-	9,690	9,451	239
5.5 Provincial Archives of Alberta	3,235	-	-	3,235	3,304	(69)
5.6 Historic Resources Management	6,050	-	-	6,050	5,741	309
5.7 Assistance to the Alberta Historical Resources Foundation	8,160	-	-	8,160	8,160	-
5.8 Heritage Capital and Repairs	-	-	-	-	449	(449)
	46,985	-	410	47,395	44,845	2,550

**Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2018
(in thousands)**

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense (continued)						
Recreation and Physical Activity						
6.1 Recreation and Physical Activity Services	\$ 5,255	\$ -	\$ -	\$ 5,255	\$ 5,131	\$ 124
6.2 Assistance to the Alberta Sport Connection	19,505	-	-	19,505	19,455	50
	24,760	-	-	24,760	24,586	174
Tourism						
7.1 Program Support	555	-	-	555	490	65
7.2 Destination Development and Visitor Services	6,710	-	-	6,710	4,940	1,770
7.3 Policy and Business Development	3,530	-	-	3,530	3,131	399
7.4 Assistance to Travel Alberta Corporation	49,200	-	-	49,200	48,075	1,125
	59,995	-	-	59,995	56,636	3,359

**Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2018
(in thousands)**

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Capital Grants						
Community and Voluntary Support Services						
2.6 Community Facility Enhancement Program	\$ 38,000	\$ -	\$ -	\$ 38,000	\$ 33,797	\$ 4,203
2.7 Support for Culture and Tourism Infrastructure	23,867	-	-	23,867	31,047	(7,180)
	61,867	-	-	61,867	64,844	(2,977)
Credit or Recovery Shortfall (Schedule 2)	\$ -	\$ -	\$ (519)	\$ (519)	\$ -	\$ (519)
Total	\$ 335,056	\$ 21,650	\$ (1,573)	\$ 355,133	\$ 353,828	\$ 1,305
Lapse/(Encumbrance)						\$ 1,305

Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2018
(in thousands)

Investment	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Ministry Support Services						
1.5 Corporate Services	\$ 425	\$ -	\$ -	\$ 425	\$ -	\$ 425
Creative Industries						
3.3 Cultural Industries	-	-	-		325	(325)
Heritage						
5.8 Heritage Infrastructure	1,616	-	-	1,616	1,450	166
Total	\$ 2,041	\$ -	\$ -	\$ 2,041	\$ 1,775	\$ 266
Lapse/(Encumbrance)						\$ 266

Financial Transactions

Heritage						
5.8 Heritage Infrastructure	\$ 5,017	\$ -	\$ -	\$ 5,017	\$ 307	\$ 4,710
Total	\$ 5,017	\$ -	\$ -	\$ 5,017	\$ 307	\$ 4,710
Lapse/(Encumbrance)						\$ 4,710

(1) As per "Expense Vote by Program" and "Capital Investment Vote by Program" and "Financial Transactions Vote by Program" pages of 2017-18 Government Estimates.

(2) Per the Supplementary Supply Estimates approved on March 1, 2018.

(3) Adjustments include credit or recovery increases approved by Treasury Board and credit or recovery shortfalls (Schedule 2).

(4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Department of Culture and Tourism
Schedule to Financial Statements
Lottery Fund Estimates
Year Ended March 31, 2018
(in thousands)

	2017-18 Lottery Fund Estimates	2017-18 Actual	Unexpended (Over Expended)
Community and Voluntary Support Services			
2.3 Community Initiatives Program	\$ 24,585	\$ 21,078	\$ 3,507
2.4 Other Initiatives	2,000	4,685	(2,685)
2.5 Major Fairs	15,350	15,348	2
2.6 Community Facility Enhancement Program	38,000	33,796	4,204
Creative Industries			
3.4 Alberta Media Fund	34,065	34,065	-
3.5 Assistance to the Alberta Foundation for the Arts	31,585	31,585	-
Heritage			
5.7 Assistance to the Alberta Historical Resources Foundation	8,160	8,160	-
Recreation and Physical Activity			
6.2 Assistance to the Alberta Sport Connection	19,505	19,455	50
	<u>\$ 173,250</u>	<u>\$ 168,172</u>	<u>\$ 5,078</u>

This table shows details of the initiatives within the Department that are funded by the Lottery Fund and compares it to the actual results.

Department of Culture and Tourism
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2018
(in thousands)

	2018			2017	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Senior Officials					
Deputy Minister ^(4,5)	\$ 294	\$ 1	\$ 72	\$ 367	\$ 320
Executives					
Assistant Deputy Minister, Creative and Community Development Division	187	-	47	234	215
Assistant Deputy Minister, Heritage Division	200	-	48	248	253
Assistant Deputy Minister, Policy and Strategic Corporate Services Division ⁽⁶⁾	189	-	47	236	273
Assistant Deputy Minister, Tourism Division	182	-	45	227	231
Executive Director, Human Resource Services	158	-	39	197	209
Executive Director, Financial Services ⁽⁷⁾	76	-	18	94	209
Executive Director, Information Management and Technology Services ⁽⁸⁾	-	-	-	-	81
Executive Director, Recreation and Physical Activity Services ⁽⁹⁾	119	-	29	148	181
Executive Director, Policy, Planning and Legislative Services ⁽⁸⁾	-	-	-	-	85
Executive Director, Francophone Secretariat	134	-	33	167	169
Director, Communications	120	-	28	148	154
Chief of Staff, Office of the Deputy Minister	127	10	33	170	109

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payout and lump sum payments. There were no bonuses paid in 2017-18.

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

(4) No automobile provided during April 2017, therefore vehicle allowance is included.

(5) An automobile was provided after May 2017, but no dollar amount included in other non-cash benefits.

(6) This position was occupied by two or more individuals at different times during the year.

(7) This position stopped being a part of Executive Committee on September 15, 2017.

(8) This position stopped being a part of Executive Committee on September 9, 2016.

(9) This position stopped being a part of Executive Committee on January 31, 2018.

Department of Culture and Tourism
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta Consolidated financial statements. Related parties also include key management personnel in the Department and their close family members.

The Department and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users and have been excluded from this schedule.

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

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Alberta Heritage Scholarship Fund	\$ -	\$ -	\$ 52	\$ 55
Transfer of Tangible Capital Assets	-	-	2	-
Shared Services Revenue	6,633	6,808	-	-
Other Revenue	-	-	3	-
	<u>\$ 6,633</u>	<u>\$ 6,808</u>	<u>\$ 57</u>	<u>\$ 55</u>
Expenses – Directly Incurred				
Grants	\$ 107,275	\$ 105,415	\$ 1,664	\$ 2,022
Transfer of Tangible Capital Assets	-	(307)	-	(293)
Other services	-	-	2,754	2,389
	<u>\$ 107,275</u>	<u>\$ 105,108</u>	<u>\$ 4,418</u>	<u>\$ 4,118</u>
Payable to	<u>\$ -</u>	<u>\$ 1,087</u>	<u>\$ 29</u>	<u>\$ 12</u>
Receivable from	<u>\$ -</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ -</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,280</u>	<u>\$ 3,020</u>

Department of Culture and Tourism
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

The Department 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 reported on the financial statements. Revenues are disclosed as follows and expenses are included in Schedule 8.

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenue				
Services Provided	\$ 682	\$ 664	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 46,369	\$ 45,219
Legal Services	-	-	158	190
Business Services	-	-	2,717	2,633
	\$ -	\$ -	\$ 49,244	\$ 48,042

Department of Culture and Tourism
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2018
(in thousands)

Program	2018						2017
	Expenses ⁽¹⁾	Services Provided ⁽²⁾	Accommodation ⁽³⁾	Legal Services ⁽⁴⁾	Business Services ⁽⁵⁾	Total Expenses	Restated (Note 3)
	Expenses – Incurred by Others						
	\$	\$	\$	\$	\$	\$	\$
Ministry Support Services	12,609	-	729	29	432	13,799	13,812
Community and Voluntary Support Services	128,230	-	976	9	372	129,587	97,703
Creative Industries	86,046	-	9,940	32	233	96,251	81,564
Francophone Secretariat	1,489	-	81	1	21	1,592	1,502
Heritage	49,444	(582)	33,655	87	1,293	83,897	87,815
Recreation and Physical Activity	24,583	(100)	406	-	200	25,089	26,920
Tourism	56,675	-	582	-	166	57,423	60,427
2013 Alberta Flooding	-	-	-	-	-	-	2,671
Climate Leadership Plan	-	-	-	-	-	-	9
	\$ 359,076	\$ (682)	\$ 46,369	\$ 158	\$ 2,717	\$ 407,638	\$ 372,423

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

(2) The Department of Culture and Tourism provided financial and administrative services to its funds and agencies.

(3) The Department of Infrastructure provided accommodations. Costs shown for Accommodation on Schedule 7, allocated by square footage.

(4) The Department of Justice and Solicitor General provided legal services. Costs for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.

(5) Cost shown for Business Services include charges for IT support, vehicles, air transportation, internal audit services and other service on Schedule 7, allocated by costs in certain programs.

Department of Culture and Tourism
Schedule to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2018
(in thousands)

	2018				2017	
	General Capital Assets		Infrastructure Assets		Total	Total
	Equipment ⁽¹⁾	Computer Hardware and Software	Land	Land Improvements		
Estimated Useful Life	3-10 years	5-8 years	Indefinite	40 years		
Historical Cost ⁽²⁾						
Beginning of Year	\$ 16,704	\$ 8,481	\$ 4,071	\$ 1,966	\$ 31,222	\$ 30,179
Additions	1,606	153	-	16	1,775	2,025
Disposals	(237)	(461)	-	-	(698)	(386)
Transfers (to) from Others ⁽³⁾	-	-	2	-	2	(596)
	\$ 18,073	\$ 8,173	\$ 4,073	\$ 1,982	\$ 32,301	\$ 31,222
Accumulated Amortization						
Beginning of Year	\$ 9,970	\$ 6,298	\$ -	\$ 428	\$ 16,696	\$ 15,198
Amortization Expense	1,331	573	-	49	1,953	2,087
Effect of Disposal	(156)	(449)	-	-	(605)	(286)
Transfers (to) from Others	-	-	-	-	-	(303)
	\$ 11,145	\$ 6,422	\$ -	\$ 477	\$ 18,044	\$ 16,696
Net Book Value at March 31, 2018	\$ 6,928	\$ 1,751	\$ 4,073	\$ 1,505	\$ 14,257	
Net Book Value at March 31, 2017	\$ 6,733	\$ 2,184	\$ 4,071	\$ 1,538	\$ 14,526	

⁽¹⁾ Equipment includes network switches and routers, vehicles, office equipment and furniture, and other equipment.

⁽²⁾ Historical cost includes work-in-progress at March 31, 2018 totalling \$1,577 (2017 - \$1,610) comprised of: equipment \$1,577 (2017 - \$1,575); and computer hardware and software nil (2017 - \$35).

⁽³⁾ Transfer of land was made from the Department of Alberta Environment and Parks at a net book value of \$2.

**Department of Culture and Tourism
Schedule to Financial Statements
Artworks and Collections Schedule
Year Ended March 31, 2018
(Unaudited)**

Collections consist of cultural and scientific artifacts, archival holdings and works of art of provincial, national and international significance that are located in government-owned museums, historic sites and the Provincial Archives. The Department has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. Significant artifacts, specimens and records are insured. A description of the collections is as follows:

- (a) The collections of the Royal Alberta Museum represent Alberta's highly diverse cultural and natural heritage. They consist of 2,322,000 natural history specimens, 162,700 ethnological and historical artifacts, and millions of archaeological objects spanning 10,000 years of Alberta history. The collections include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, art, textile collections and archaeological materials recovered in Alberta through Historic Resources Impact Assessments. All collections include associated documentation and, in many cases, images and other media.
- (b) The Royal Alberta Museum also is responsible for managing approximately 83,020 artifacts for the Ministry's historic sites. Approximately 8,000 objects are used to furnish the historical buildings at the Ukrainian Cultural Heritage Village, while an additional 5,000 objects are located at smaller sites throughout the province. The remaining artifacts are preserved in storage.
- (c) The Royal Tyrrell Museum of Palaeontology collections contain over 160,000 catalogued specimens that document the early history of life on earth. The collections include fossils, geological samples, comparative zoology specimens, and an extensive dinosaur mold and cast collection, as well as palaeontological materials recovered in Alberta through Historic Resource Impact Assessments. The Royal Tyrrell Museum is also responsible for one palaeontological site in southern Alberta and one geological site in central Alberta.
- (d) The Historic Sites and Museums Branch preserves and presents Alberta's history at two museums (Reynolds-Alberta Museum and Remington Carriage Museum), three interpretive centres (Oil Sands Discovery Centre, Head-Smashed-In Buffalo Jump and Frank Slide Interpretive Centre), seven developed historic sites (Leitch Collieries, Stephansson House, Victoria Settlement, Brooks Aqueduct, Father Lacombe Chapel, Fort George and Buckingham House, and Historic Dunvegan), one developed historic site leased to a society (Lougheed House), one developed site leased from the University of Alberta (Rutherford House), and one historic site currently under development (Turner Valley Gas Plant).
- (e) The Reynolds-Alberta Museum is responsible for approximately 6,500 agricultural, industrial and transportation artifacts. This includes 467 cars, trucks and motorcycles; 365 tractors and engines; 396 agricultural machines and 467 industrial artifacts. Also included are 104 vintage aircraft, the second largest collection in Canada. The museum houses over 900 linear metres of documents relating to its mechanization themes.

**Department of Culture and Tourism
Schedule to Financial Statements
Artworks and Collections Schedule
Year Ended March 31, 2018
(Unaudited)**

- (f) The Remington Carriage Museum houses one of the largest collections of horse-drawn vehicles in North America, with over 325 carriages, buggies, wagons and sleighs, and approximately 760 associated small artifacts.
- (g) The Ukrainian Cultural Heritage Village contains 60 historical buildings that document Ukrainian settlement in east-central Alberta from 1892 to 1930. Structures include a grain elevator, sod house, blacksmith shop, farm buildings and churches.
- (h) The Historic Resources Management Branch is responsible for eight undeveloped historic sites, two developed historic sites, two developed sites leased to non-government entities, 14 cairns, and six archaeological sites.
- (i) The Heritage Division is also responsible for approximately 1,752 hectares of historically-significant land.
- (j) The Provincial Archives of Alberta holds approximately 55,955 linear metres of government textual records; 4,635 linear metres of private records; 155,290 maps, plans and drawings; 1,880,255 photographic images; 72,185 objects of audiovisual holdings such as film, video and audio recordings; and 14,940 volumes of library holdings.
- (k) The government-owned heritage collections also include materials that are managed under contract by the Glenbow Museum. Glenbow provides public access to collections that include approximately 200,000 natural and human history artifacts, 3,700 linear metres of textual and archival records, over 2.1 million historical photographs, 350 hours of film footage and 7,400 sound recordings.
- (l) The Arts Branch manages 14 collections containing approximately 2,000 donated, purchased and/or commissioned artworks.
- (m) The Government House actively collects various significant items pertaining to the history of Government House. The collection is accessible to the public and consists of paintings, drawings, prints, sculptures, furnishings, books and silverware. Parts of the collection are used or displayed in Government House, while some items are housed and managed by other provincial institutions.

At March 31, 2018, the collection consisted of 655 (2017– 655) pieces of artworks and other items, with an estimated value of \$1,051,680 (2017 – \$1,051,680). There were no purchases donations or dispositions during the year. The collection is insured.

Alberta Foundation for the Arts

Financial Statements

March 31, 2018

**Alberta Foundation for the Arts
Financial Statements
March 31, 2018**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs

Schedule 4 – Artworks and Collections (Unaudited)

Independent Auditor's Report

To the Board of Directors of Alberta Foundation for the Arts and the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of Alberta Foundation for the Arts, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Foundation for the Arts as at March 31, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 6, 2018

Edmonton, Alberta

Alberta Foundation for the Arts
Statement of Operations
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Revenues			
Government of Alberta Transfers			
Transfers from the Department of Culture and Tourism	\$ 31,585	\$ 31,585	\$ 26,585
Investment Income	60	71	43
Other Revenue	425	115	233
	<u>32,070</u>	<u>31,771</u>	<u>26,861</u>
Expenses – Directly Incurred			
(Note 2(b) and Schedules 1 and 3)			
Support to Arts Organizations	22,962	24,555	20,343
Support to Individual Artists	4,709	4,193	3,666
Art Collection	3,119	1,899	1,815
Administration	1,288	1,086	1,062
	<u>32,078</u>	<u>31,733</u>	<u>26,886</u>
Annual Operating Surplus (Deficit)	<u>\$ (8)</u>	\$ 38	\$ (25)
Accumulated Surplus, Beginning of Year		<u>2,541</u>	<u>2,566</u>
Accumulated Surplus, End of Year		<u>\$ 2,579</u>	<u>\$ 2,541</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, 2018
(in thousands)

	2018	2017
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 3,165	\$ 2,530
Accounts Receivable (Note 5)	1	1
	3,166	2,531
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	633	44
	633	44
Net Financial Assets	2,533	2,487
Non-Financial Assets		
Tangible Capital Assets (Note 7)	46	54
	46	54
Net Assets	2,579	2,541
Net Assets		
Accumulated Surplus, Beginning of Year	2,541	2,566
Annual Operating Surplus (Deficit)	38	(25)
Accumulated Surplus, End of Year	\$ 2,579	\$ 2,541

Contractual Obligations (Note 8)

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

Alberta Foundation for the Arts
Statement of Changes in Net Financial Assets
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Annual Operating Surplus (Deficit)	\$ (8)	\$ 38	\$ (25)
Amortization of Tangible Capital Assets (Note 7)	8	8	18
Increase (Decrease) in Net Financial Assets in the Year		46	(7)
Net Financial Assets, Beginning of Year		2,487	2,494
Net Financial Assets, End of Year		\$ 2,533	\$ 2,487

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

Alberta Foundation for the Arts
Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)

	2018	2017
Operating Transactions		
Annual Operating Surplus (Deficit)	\$ 38	\$ (25)
Non-cash Items		
Amortization of Tangible Capital Assets (Note 7)	8	18
	46	(7)
Decrease in Accounts Receivable	-	3
Increase (Decrease) in Accounts Payable and Accrued Liabilities	589	(53)
Cash Provided by (Applied to) Operating Transactions	635	(57)
Increase (Decrease) in Cash and Cash Equivalents	635	(57)
Cash and Cash Equivalents at Beginning of Year	2,530	2,587
Cash and Cash Equivalents at End of Year	\$ 3,165	\$ 2,530

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

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018**

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 created 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 an agent of the Crown in right of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Alberta Foundation for the Arts, which is part of the Ministry of Culture and Tourism (Ministry) and for which the Minister of Culture and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government Transfers

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

Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government Transfers (continued)

Government transfers and the associated externally restricted investment income are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the Foundation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Foundation complies with its communicated use of the transfer.

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

Donations and Non-Government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recognized as revenue in the year received or in the year the funds are committed to the Foundation if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recognized as deferred revenue if the terms for their use, or the terms along with the Foundation's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Foundation complies with its communicated use.

In-kind donations of services and materials are recognized at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Foundation, the value of their services is not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Investment Income

Investment income includes interest income earned on the Consolidated Cash Investment Trust Fund of the Province of Alberta accounts.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Directly Incurred

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

Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Incurred by Others

Services contributed by other entities in support of the Foundation's operations are not recognized and are disclosed in Schedule 2 and allocated to programs in Schedule 3.

Valuation of Financial Assets and Liabilities

The Foundation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost
Accounts Receivable	Lower cost or net recoverable value
Accounts Payable and Accrued Liabilities	Cost

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Foundation's financial claims on external organizations and individuals.

As the Foundation does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no remeasurement gains and losses and therefore a statement of remeasurement gains and losses has not been presented.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Financial Assets (continued)

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid, investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

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

Liabilities

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

Liabilities also include:

- all financial claims payable by the Foundation at the year end; and
- contingent liabilities where future liabilities are likely.

Non-Financial Assets

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

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

Non-financial assets are limited to tangible capital assets.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Equipment	10 Years
-----------	----------

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Foundation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Externally restricted tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

Artworks and Collections

Works of art, historical treasures and collections are not recognized in these financial statements. Purchases of collection items are expensed in the period in which the items are acquired. Donations of collection items are recognized as revenue and expensed at their fair value when fair value can be reasonably determined. When fair value cannot be reasonably determined, these donations are recognized at nominal value.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization is based on the estimated useful lives of tangible capital assets.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018**

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

(c) Change in accounting policy

Alberta Foundation for the Arts has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, which are reflected in Note 9 and Schedule 2.

Additionally, PS3320 Contingent Assets and PS3380 Contractual Rights has been adopted by the Foundation, but had no impact on the financial statements.

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of these standards on the financial statements.

Note 4 Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents in the amount of \$3,165 (2017 - \$2,530) consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by CCITF had a time-weighted return of 1.1% (2017 – 0.9%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018

Note 5 Accounts Receivable
(in thousands)

	2018		2017	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1	\$ -	\$ 1	\$ 1

Accounts receivable are unsecured and non-interest bearing.

Note 6 Accounts Payable and Accrued Liabilities
(in thousands)

	2018	2017
Trade Accounts Payable	\$ 545	\$ 34
Grant Liabilities	88	-
Other	-	10
	\$ 633	\$ 44

Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018

Note 7 Tangible Capital Assets
(in thousands)

	Equipment ⁽¹⁾	
	2018	2017
Estimated Useful Life – 10 years		
Historical Cost		
Beginning of Year	\$ 320	\$ 320
Additions	-	-
Disposals, including write-downs	-	-
	320	320
Accumulated Amortization		
Beginning of Year	266	248
Amortization Expense	8	18
Effect of disposals, including write-downs	-	-
	274	266
Net Book Value	\$ 46	\$ 54

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

Note 8 Contractual Obligations
(in thousands)

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

	2018	2017
Grants	\$ 19,465	\$ 6,894
Service Contracts	4,124	879
	\$ 23,589	\$ 7,773

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2018**

Note 8 Contractual Obligations(continued)
(in thousands)

Estimated payments requirements for each of the next two years are as follows:

	Grants	Service Contracts	Total
2018-2019	\$ 10,791	\$ 867	\$ 11,658
2019-2020	8,674	827	9,501
Thereafter	-	2,430	2,430
	<u>\$ 19,465</u>	<u>\$ 4,124</u>	<u>\$ 23,589</u>

Note 9 Honoraria
(in thousands)

	2018	2017
Board ^{(1) (2)}		
Chair	\$ 9	\$ 6
Vice Chair	3	1
Other Members ⁽³⁾	30	20
	<u>\$ 42</u>	<u>\$ 27</u>

- (1) The Foundation has no employees. Staff of the Department of Culture and Tourism administer the Foundation.
- (2) 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. No benefits were provided to board members.
- (3) Number of other members as of March 31, 2018 – ten (2017 – twelve).

Note 10 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 11 Approval of Financial Statements

The Board approved the financial statements of Alberta Foundation for the Arts.

Alberta Foundation for the Arts
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Grants	\$ 26,285	\$ 27,271	\$ 22,539
Supplies and Services from Support Service			
Arrangements with Related Parties ⁽¹⁾	2,429	2,427	2,427
Supplies and Services			
General	3,356	1,268	1,270
Acquisition of Artworks ⁽²⁾	-	663	468
Donations of Artworks	-	54	134
Honoraria (Note 9)	-	42	27
Financial Transactions and Other	-	-	3
Amortization of Tangible Capital Assets (Note 7)	8	8	18
	<u>\$ 32,078</u>	<u>\$ 31,733</u>	<u>\$ 26,886</u>

⁽¹⁾ The Foundation receives financial and program related administrative services from the Department of Culture and Tourism.

⁽²⁾ Includes commissioned artworks in progress.

Alberta Foundation for the Arts
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel of the Foundation and their close family members.

The Foundation paid or collected certain taxes and fees set by regulation for premiums, 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 reported in the Statement of Operations and in the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Transfers from the Department of Culture and Tourism	\$ 31,585	\$ 26,585	\$ -	\$ -
Other Revenue	-	-	17	4
	<u>\$ 31,585</u>	<u>\$ 26,585</u>	<u>\$ 17</u>	<u>\$ 4</u>
Expenses – Directly Incurred				
Grants	\$ 120	\$ 120	\$ 1,566	\$ 934
Other Services	2,427	2,427	48	59
	<u>\$ 2,547</u>	<u>\$ 2,547</u>	<u>\$ 1,614</u>	<u>\$ 993</u>
Payable to	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 531</u>	<u>\$ 27</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122</u>	<u>\$ 190</u>

Alberta Foundation for the Arts
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

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 reported in the financial statements but are disclosed in Schedule 3.

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 459	\$ 459
Legal Services	-	-	13	7
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471</u>	<u>\$ 466</u>

Alberta Foundation for the Arts
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2018
(in thousands)

Program	2018			2017		
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Expenses – Incurred by Others	Total Expenses	Total Expenses
Support to Arts Organizations	\$ 24,555	\$ 95	\$ -	\$ 24,650	\$ 20,438	
Support to Individual Artists	4,193	95	-	4,288	3,761	
Art Collection	1,899	139	7	2,045	1,958	
Administration	1,086	130	6	1,222	1,195	
	\$ 31,733	\$ 459	\$ 13	\$ 32,205	\$ 27,352	

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

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

⁽³⁾ The Department of Justice and Solicitor General provided Legal Services. Costs shown for Legal Services on Schedule 2, allocated by estimated costs incurred by each program.

**Alberta Foundation for the Arts
Schedule to Financial Statements
Artworks and Collections (Unaudited)
Year Ended March 31, 2018**

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 March 31, 2018, the collection consisted of 9,049 (2017 – 8,925) artworks. The Foundation has estimated the value at \$16,370,749 (2017 – \$15,064,722). During the year, the Foundation purchased 84 (2017 – 50) artworks at a cost of \$1,250,577 (2017 – \$239,920). There were 42 (2017 – 75) donations to the collection during the year. These donations were appraised at a value of \$56,350 (2017 – \$134,320). There were no artwork dispositions during the year (2017 – none). The collection is insured.

The Alberta Historical Resources Foundation

Financial Statements

March 31, 2018

The Alberta Historical Resources Foundation
Financial Statements
March 31, 2018

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs

Schedule 4 – Artworks and Collections (Unaudited)

Independent Auditor's Report

To the Board of Directors of The Alberta Historical Resources Foundation and the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of the Alberta Historical Resources Foundation, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alberta Historical Resources Foundation as at March 31, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 6, 2018

Edmonton, Alberta

The Alberta Historical Resources Foundation
Statement of Operations
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Revenues			
Government of Alberta Transfers			
Transfers from the Department of Culture and Tourism	\$ 8,160	\$ 8,160	\$ 8,160
Investment Income	29	20	23
Other Revenue	6	-	-
	<u>8,195</u>	<u>8,180</u>	<u>8,183</u>
Expenses – Directly Incurred			
(Note 2(b) and Schedules 1 and 3)			
Glenbow Museum	3,588	3,588	3,588
Heritage Preservation Partnership Programs	2,184	3,034	2,489
Support for Provincial Heritage Organizations	2,080	2,086	2,080
Municipal Heritage Programs	-	-	7
Heritage Markers Program	106	46	44
Administration	248	336	336
	<u>8,206</u>	<u>9,090</u>	<u>8,544</u>
Annual Operating Deficit	<u>\$ (11)</u>	\$ (910)	\$ (361)
Accumulated Surplus, Beginning of Year		<u>1,228</u>	<u>1,504</u>
Non-Grant Transfer of Cash from The Government House Foundation		-	85
Accumulated Surplus, End of Year		<u>\$ 318</u>	<u>\$ 1,228</u>

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

The Alberta Historical Resources Foundation
Statement of Financial Position
As at March 31, 2018
(in thousands)

	2018	2017
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 415	\$ 1,556
Accounts Receivable (Note 5)	268	-
	683	1,556
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	429	401
	429	401
Net Financial Assets	254	1,155
Non-Financial Assets		
Tangible Capital Assets (Note 7)	64	73
	64	73
Net Assets	318	1,228
Net Assets		
Accumulated Surplus, Beginning of Year (Note 8)	1,228	1,504
Non-Grant Transfer of Cash from The Government House Foundation	-	85
Annual Operating Deficit	(910)	(361)
Accumulated Surplus, End of Year	\$ 318	\$ 1,228
Contractual Obligations (Note 10)		

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

The Alberta Historical Resources Foundation
Statement of Change in Net Financial Assets
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Annual Operating Deficit	\$ (11)	\$ (910)	\$ (361)
Amortization of Tangible Capital Assets (Note 7)	11	<u>9</u>	<u>19</u>
Decrease in Net Financial Assets in the Year		(901)	(342)
Net Financial Assets, Beginning of Year		<u>1,155</u>	<u>1,412</u>
Non-Grant Transfer of Cash from The Government House Foundation		-	85
Net Financial Assets, End of Year		<u>\$ 254</u>	<u>\$ 1,155</u>

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

The Alberta Historical Resources Foundation
Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)

	2018	2017
Operating Transactions		
Annual Operating Deficit	\$ (910)	\$ (361)
Non-cash Items		
Amortization of Tangible Capital Assets	9	19
	(901)	(342)
(Increase) Decrease in Accounts Receivable	(268)	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities	28	(5)
Cash (Applied to) Operating Transactions	(1,141)	(346)
Financing Transactions		
Non-Grant Transfer of Cash from The Government House Foundation	-	85
Cash Provided by Financing Transactions	-	85
(Decrease) in Cash and Cash Equivalents	(1,141)	(261)
Cash and Cash Equivalents at Beginning of Year	1,556	1,817
Cash and Cash Equivalents at End of Year	\$ 415	\$ 1,556

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

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

Note 1 Authority and Purpose

The Alberta Historical Resources Foundation (Foundation) operates under the authority of the *Historical Resources Act*, Chapter H-9, and Revised Statutes of Alberta 2000.

The purpose of the Foundation is to assist in the preservation and interpretation of Alberta's heritage primarily through the encouragement and sponsorship of community heritage initiatives.

The Foundation is an agent of the Crown in right of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is The Alberta Historical Resources Foundation, which is part of the Ministry of Culture and Tourism (Ministry) and for which the Minister of Culture and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government Transfers

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

Government transfers and the associated externally restricted investment income are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the Foundation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Foundation complies with its communicated use of the transfer.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government Transfers (continued)

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

Donations and Non-Government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recognized as revenue in the year received or in the year the funds are committed to the Foundation if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recognized as deferred revenue if the terms for their use, or the terms along with the Foundation's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Foundation complies with its communicated use.

In-kind donations of services and materials are recognized at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Foundation, the value of their services is not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Investment Income

Investment income includes interest income earned on the Consolidated Cash Investment Trust Fund of the Province of Alberta accounts.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Transfers include entitlements, grants and transfers under shared cost agreements.

Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Directly Incurred

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

Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Incurred by Others

Services contributed by other entities in support of the Foundation's operations are not recognized and are disclosed in Schedule 2 and allocated to programs in Schedule 3.

Valuation of Financial Assets and Liabilities

The Foundation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost
Accounts Receivable	Lower cost or net recoverable value
Accounts Payable and Accrued Liabilities	Cost

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets are the Foundation's financial claims on external organizations and individuals.

As the Foundation does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no remeasurement gains and losses and therefore a statement of remeasurement gains and losses has not been presented.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Valuation of Financial Assets and Liabilities (continued)

Accounts Receivable

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

Liabilities

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

Liabilities also include:

- all financial claims payable by the Foundation at the year end; and
- contingent liabilities where future liabilities are likely.

Non-Financial Assets

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

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

Non-financial assets are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

Work in progress is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

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

Equipment	10 Years
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The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Tangible Capital Assets (continued)

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Foundation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

Externally restricted tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

Artworks and Collections

Works of art, historical treasures and collections are not recognized in these financial statements. Purchases of collection items are expensed in the period in which the items are acquired. Donations of collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Amortization is based on the estimated useful lives of tangible capital assets.

(c) Changes in Accounting Policy

Alberta Historical Resources Foundation has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions and PS 3210 Assets which are reflected in Schedule 2 and Schedule 3.

Additionally, PS3320 Contingent Assets and PS3380 Contractual Rights have been adopted by the Foundation, but had no impact on the financial statements.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
 This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
 Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Note 4 Cash and Cash Equivalents

(in thousands)

Cash and cash equivalents in the amount of \$415 (2017 - \$1,556) consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by CCITF had a time-weighted return of 1.1% (2017 – 0.9%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 5 Accounts Receivable

(in thousands)

	2018		2017	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 268	\$ -	\$ 268	\$ -

Accounts receivable are unsecured and non-interest bearing.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

Note 6 Accounts Payable
(in thousands)

	2018	2017
Trade Accounts Payable	\$ 48	\$ 261
Grant Liabilities	381	140
	\$ 429	\$ 401

Note 7 Tangible Capital Assets
(in thousands)

	Equipment ⁽¹⁾	
	2018	2017
Estimated Useful Life – 10 years		
Historical Cost ⁽¹⁾		
Beginning of Year	\$ 647	\$ 647
Accumulated Amortization		
Beginning of Year	574	555
Amortization Expense	9	19
	583	574
Net Book Value	\$ 64	\$ 73

⁽¹⁾ Equipment includes Heritage Markers.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

Note 8 Accumulated Surplus
(in thousands)

Accumulated Surplus is comprised of the following:

	Internally Restricted - Bob Etherington Heritage Trades Scholarship ⁽¹⁾	Internally Restricted - Peter Goertzen Fund ⁽²⁾	Net Investment in Tangible Capital Assets	Unrestricted	Total
Balance, April 1, 2017	\$ 15	\$ 10	\$ 73	\$ 1,130	\$ 1,228
Annual Operating Deficit	-	-	-	(910)	(910)
Net Investment in Capital Assets	-	-	(9)	9	-
Balance, March 31, 2018	<u>\$ 15</u>	<u>\$ 10</u>	<u>\$ 64</u>	<u>\$ 229</u>	<u>\$ 318</u>

⁽¹⁾ The Bob Etherington Heritage Trades Scholarship was designed to develop the heritage trades in Alberta by encouraging tradespersons to hone their technical skills and further their understanding of the challenges and complexities of heritage conservation work.

⁽²⁾ The Peter Goertzen Fund is a gift from the estate of Peter Goertzen, a former board member of The Alberta Historical Resources Foundation. These funds have been internally restricted and will support special heritage projects approved by the Board.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

Note 9 Honoraria
(in thousands)

	2018	2017
Board ^{(1) (2)}		
Chair	\$ 5	\$ 5
Other Members ⁽³⁾	20	20
	\$ 25	\$ 25

- (1) The Foundation has no employees. Staff of the Department of Culture and Tourism administer the Foundation.
- (2) 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. No benefits were provided to board members.
- (3) Number of other members as of March 31, 2018 – thirteen (2017 – twelve).

Note 10 Contractual Obligations
(in thousands)

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

	2018	2017
Grants	\$ 1,882	\$ 2,609
Service Contracts	10,764	3,588
	\$ 12,646	\$ 6,197

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

	Grant Agreements	Service Contracts	Total
2018-19	\$ 1,048	\$ 3,588	\$ 4,636
2019-20	500	3,588	4,088
2020-21	148	3,588	3,736
2021-22	148	-	148
2022-23	19	-	19
Thereafter	19	-	19
	\$ 1,882	\$ 10,764	\$ 12,646

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2018

Note 11 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 12 Approval of Financial Statements

The Board approved the financial statements of Alberta Historical Resources Foundation.

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Grants	\$ 3,885	\$ 4,813	\$ 4,268
Supplies and Services	3,695	3,635	3,642
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	565	608	590
Amortization of Tangible Capital Assets (Note 7)	11	9	19
Honoraria (Note 9)	50	25	25
	\$ 8,206	\$ 9,090	\$ 8,544

⁽¹⁾ The Foundation receives financial and program related administrative services from the Department of Culture and Tourism.

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel and close family members of those individuals in Alberta Historical Resources Foundation.

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

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

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Transfers from the Department of Culture and Tourism	\$ 8,160	\$ 8,160	\$ -	\$ -
Expenses – Directly Incurred				
Grants	\$ -	\$ -	\$ 78	\$ 95
Other Services	608	590	7	7
	\$ 608	\$ 590	\$ 85	\$ 102
Payable to	\$ -	\$ -	\$ -	\$ 84
Receivable from	\$ -	\$ -	\$ 268	\$ -
Contractual Obligations	\$ -	\$ -	\$ 28	\$ 56

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

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

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Expenses – Incurred by Others				
Other Services	\$ 74	\$ 74	\$ -	\$ -
Accommodation	-	-	21	21
	<u>\$ 74</u>	<u>\$ 74</u>	<u>\$ 21</u>	<u>\$ 21</u>

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2018
(in thousands)

Program	2018			2017		
	Expenses ⁽¹⁾	Other Services ⁽²⁾	Accommodation ⁽³⁾	Total Expenses	Total Expenses	Total Expenses
			Expenses – Incurred by Others			
Glenbow Museum	\$ 3,588	\$ -	\$ -	\$ 3,588	\$ 3,588	\$ 3,588
Heritage Preservation Partnership Programs	3,034	41	12	3,087	3,087	2,542
Support for Provincial Heritage Organizations	2,086	-	-	2,086	2,086	2,080
Municipal Heritage Programs	-	11	3	14	14	21
Heritage Markers Program	46	11	3	60	60	58
Administration	336	11	3	350	350	350
	<u>\$ 9,090</u>	<u>\$ 74</u>	<u>\$ 21</u>	<u>\$ 9,185</u>	<u>\$ 9,185</u>	<u>\$ 8,639</u>

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

⁽²⁾ The Department of Culture and Tourism provided financial and administrative services. Costs shown for Other Services on Schedule 2, allocated by estimated costs incurred by each program.

⁽³⁾ The Department of Infrastructure provided accommodations. Costs shown for accommodations (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.

**The Alberta Historical Resources Foundation
Schedule to Financial Statements
Artworks and Collections (Unaudited)
Year Ended March 31, 2018**

The Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and antique furnishings. At March 31, 2018, the collection consisted of 374 (2017 – 374) artworks with an estimated value of \$15,940 (2017 – \$15,940) and 30 (2017 – 30) antique furnishings with an estimated value of \$12,700 (2017 – \$12,700). During the year, the Foundation did not acquire any historical assets (2017 – Nil). There were no artwork dispositions during the year (2017 – Nil). The collection is insured.

Alberta Sport Connection

Financial Statements

March 31, 2018

**Alberta Sport Connection
Financial Statements
March 31, 2018**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Expenses – Directly Incurred Detailed by Object

Schedule 3 – Salary and Benefits Disclosure

Schedule 4 – Related Party Transactions

Schedule 5 – Allocated Costs

Schedule 6 – Tangible Capital Assets

Schedule 7 – Artworks (Unaudited)

Independent Auditor's Report

To the Board of Directors of Alberta Sport Connection and the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of Alberta Sport Connection, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Sport Connection as at March 31, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 1, 2018

Edmonton, Alberta

**Alberta Sport Connection
Statement of Operations
Year Ended March 31, 2018
(in thousands)**

	2018		2017
	Budget	Actual	Actual
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 19,505	\$ 19,575	\$ 21,380
Federal and Other Government Grants	438	521	438
Investment Income	45	53	45
Premiums, Fees and Licences	230	235	205
Donations and Other Contributions	2,045	1,097	1,138
Other Revenue	40	144	29
	<u>22,303</u>	<u>21,625</u>	<u>23,235</u>
Expenses – Directly Incurred (Note 2(b), Schedules 2 and 5)			
Sport Development	13,267	11,815	12,799
High Performance Sport	6,178	6,672	7,267
Alberta Games and Marketing	2,454	2,812	2,736
Parks and Wildlife Ventures	93	64	88
Administration	323	228	248
	<u>22,315</u>	<u>21,591</u>	<u>23,138</u>
Annual Operating Surplus	<u>\$ (12)</u>	\$ 34	\$ 97
Endowment Contributions (Note 8)		-	1
Annual Surplus		<u>34</u>	<u>98</u>
Accumulated surplus at beginning of year		2,223	3,017
Non-Grant Transfers of Net Assets to Alberta Environment and Parks (Note 9)		-	<u>(892)</u>
Accumulated surplus at end of year		<u>\$ 2,257</u>	<u>\$ 2,223</u>

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

Alberta Sport Connection
Statement of Financial Position
As at March 31, 2018
(in thousands)

	2018	2017
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 3,139	\$ 2,982
Accounts Receivable (Note 5)	600	24
Inventories for Resale	15	29
	3,754	3,035
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	1,512	799
Deferred Contributions (Note 7)	1,185	1,230
	2,697	2,029
Net Financial Assets	1,057	1,006
Non-Financial Assets		
Tangible Capital Assets (Schedule 6)	1,200	1,206
Prepaid Expenses	-	11
	1,200	1,217
Net Assets	2,257	2,223
Net Assets (Note 9)		
Accumulated surplus at beginning of year	2,223	3,017
Non-Grant Transfers of Net Assets to Alberta Environment and Parks	-	(892)
Annual Surplus	34	98
	\$ 2,257	\$ 2,223
Contractual obligations (Note 10)		

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

Alberta Sport Connection
Statement of Change in Net Financial Assets
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Annual Surplus	\$ (12)	\$ 34	\$ 97
Amortization of Tangible Capital Assets (Schedule 6)	12	6	13
Non-Grant Transfer of Cash to Alberta Environment and Parks (Note 9)		-	(232)
Non-Grant Transfer of Deferred Revenue to Alberta Environment and Parks (Note 9)		-	132
Decrease (Increase) in Prepaid Expenses		11	(1)
Endowment Contributions (Note 8)		-	1
Increase in Net Financial Assets in the year		51	10
Net Financial Assets at beginning of year		1,006	996
Net Financial Assets at end of year		<u>\$ 1,057</u>	<u>\$ 1,006</u>

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

**Alberta Sport Connection
Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)**

	2018	2017
Operating Transactions		
Annual Surplus	\$ 34	\$ 97
Non-cash Items		
Amortization of Tangible Capital Assets (Schedule 6)	6	13
Deferred Contributions Recognized as Revenue (Note 7)	(62)	(34)
	(22)	76
(Increase) Decrease in Accounts Receivable	(576)	66
Decrease (Increase) in Inventories for Resale	14	(5)
Decrease (Increase) in Prepaid Expenses	11	(1)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	713	(190)
Deferred Contributions Received (Note 7)	17	14
	157	(40)
Cash Provided by (Applied to) Operating Transactions		
Financing Transactions		
Endowment Contributions (Note 8)	-	1
Non-Grant Transfer of Cash to Alberta Environment and Parks (Note 9)	-	(232)
	-	(231)
Cash Provided by Financing Transactions		
Increase (Decrease) in Cash and Cash Equivalents	157	(271)
Cash and Cash Equivalents at Beginning of year	2,982	3,253
Cash and Cash Equivalents at End of year	\$ 3,139	\$ 2,982

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

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 1 Authority and Purpose

The Alberta Sport Connection (Corporation) operates under the authority of the *Alberta Sport Connection Act*, Chapter A-34, Revised Statutes of Alberta 2000, as amended.

The objectives of the Corporation are:

- to develop and maintain sport programs, facilities and services; and
- to raise funds to be used in assisting the Corporation in the carrying out of its objects.

The Corporation is an agent of the Crown in right of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Alberta Sport Connection, which is part of the Ministry of Culture and Tourism (Ministry) and for which the Minister of Culture and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government Transfers

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

Government transfers and the associated externally restricted investment income are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of the transfer(s).

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government Transfers (continued)

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

Donations and Non-Government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recognized as revenue in the year received or in the year the funds are committed to the Corporation if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recognized as deferred revenue if the terms for their use, or the terms along with the Corporation's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Corporation complies with its communicated use.

In-kind donations of services and materials are recognized at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Corporation, the value of their services is not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Investment Income

Investment income includes interest income earned on the Consolidated Cash Investment Trust Fund of the Province of Alberta accounts.

Investment income from externally restricted contributions and endowments is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms are met.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Corporation's operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost
Accounts Receivable	Lower cost or net recoverable value
Inventories for Resale	Lower cost or net realizable value
Accounts Payable and Accrued Liabilities	Cost

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations

Financial assets are the Corporation's financial claims on external organizations and individuals, and inventories for resale at the year end.

As the Corporation does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no remeasurement gains and losses and therefore a statement of remeasurement gains and losses has not been presented.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Financial Assets (continued)

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

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

Inventories for resale

Inventories for resale are valued at the lower of cost and net realizable value. Cost is determined on first in first out basis.

Endowments

Donations, government transfers, and non-government contributions that must be maintained in perpetuity are included in Financial Assets and Accumulated Surplus in the Statement of Financial Position. The endowment fund balance represents actual cash contributions over time and the balance is not adjusted to maintain the long term real purchasing power of the funds.

Liabilities

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

Liabilities also include:

- all financial claims payable by the Corporation at the year-end;
- accrued employee vacation entitlements; and
- contingent liabilities where future liabilities are likely.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets

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

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

Non-financial assets are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

Work in progress, which includes land improvements, is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

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

Buildings	40 Years
Equipment	10 Years
Land Improvements	40 Years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land is capitalized.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum, the net book value of these physical assets less any nominal proceeds are recognized as grants in kind.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Externally restricted tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of contribution.

Prepaid Expenses

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

Artworks

Works of art are not recognized in these financial statements. Purchases of artworks are expensed in the period in which the items are acquired. Donations of artworks are reported as revenue and expensed at their fair value when fair value can be reasonably determined. When fair value cannot be reasonably determined, these donations are recognized at nominal value.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization is based on the estimated useful lives of tangible capital assets.

(c) Change in Accounting Policy

The Alberta Sport Connection has prospectively adopted the following standards from April 1, 2017: PS 3210 Assets, PS 2200 Related Party Disclosures, and PS 3420 Inter-Entity Transactions, which are reflected in Schedule 2, and Schedule 4, respectively.

Additionally, PS3320 Contingent Assets and PS3380 Contractual Rights has been adopted by the Corporation, but had no impact on the financial statements.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
 This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
 Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of these standards on the financial statements.

Note 4 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2018	2017
Unrestricted Cash	\$ 1,499	\$ 1,303
Externally Restricted Cash ⁽¹⁾	1,108	1,148
Internally Restricted Cash ⁽²⁾	88	87
	2,695	2,538
 Endowments (Note 8)	 444	 444
 Total	 \$ 3,139	 \$ 2,982

⁽¹⁾ To maintain the fixed assets for public use in a conservation setting.

⁽²⁾ To support individuals and organizations on projects associated with a specific purpose as designated by the Board.

Cash and cash equivalents consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by CCITF had a time-weighted return of 1.1% (2017 – 0.9 %) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 5 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018		2017	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 600	\$ -	\$ 600	\$ 24

Note 6 Accounts Payable and Accrued Liabilities
(in thousands)

	2018	2017
Trade Accounts Payable	\$ 842	\$ 230
Grant Liabilities	91	29
Other	579	540
	\$ 1,512	\$ 799

Note 7 Deferred Contributions
(in thousands)

	2018	2017
Deferred Contributions (a)	1,185	1,230
	\$ 1,185	\$ 1,230

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 7 Deferred Contributions (continued)
(in thousands)

(a) Deferred Contributions
 Represent externally restricted contributions received relating to expenses of future years.

	2018	2017
Balance, Beginning of Year	\$ 1,230	\$ 1,382
Received/Receivable During Year	17	14
Less Amounts Recognized as Revenue ⁽¹⁾	(62)	(34)
Less Amounts Transferred to Alberta Environment and Parks	-	(132)
Balance, End of Year	\$ 1,185	\$ 1,230

⁽¹⁾ Amounts recognized in revenue include \$6 (2017 - \$10) to match amortization expenses on restricted tangible capital assets.

	2018	2017
Deferred Contributions		
Cash	\$ 1,108	\$ 1,148
Tangible Capital Assets	77	82
	\$ 1,185	\$ 1,230

Note 8 Endowments
(in thousands)

The endowments are as follows:

	2018	2017
Balance at Beginning of Year	\$ 444	\$ 443
Endowment Contributions	-	1
Balance at End of Year	\$ 444	\$ 444

Endowments consist of externally restricted donations received by the Corporation \$239 (2017 - \$239) and internal allocations by the Corporation's Board of Directors \$205 (2017 - \$205), the principal of which is required to be maintained intact in perpetuity. The economic value of the endowments is not protected.

Investment income earned on endowments is deferred and is recognized as revenue when used in accordance with the various purposes established by the donors. The endowments were designed to help sport development in Alberta.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 9 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	2018			2017				
	Externally Restricted	Internally Restricted	Unrestricted					
	Net Investment in Tangible Capital Assets ⁽²⁾	Endowments	Operating ⁽¹⁾	Net Investment in Land ⁽²⁾	Operating	Net Investment in Tangible Capital Assets ⁽²⁾	Total	Total
Balance, April 1, 2017	\$ 1,076	\$ 444	\$ 87	\$ 127	\$ 486	\$ 3	\$ 2,223	\$ 3,017
Annual Operating Surplus	(2)	-	1	-	36	(1)	34	97
Endowment Contributions	-	-	-	-	-	-	-	1
Non-Grant Transfers of Tangible Capital Assets to Alberta Environment and Parks	-	-	-	-	-	-	-	(792)
Non-Grant Transfer of Cash to Alberta Environment and Parks	-	-	-	-	-	-	-	(232)
Non-Grant Transfer of Deferred Revenue to Alberta Environment and Parks	-	-	-	-	-	-	-	132
Balance, March 31, 2018	\$ 1,074	\$ 444	\$ 88	\$ 127	\$ 522	\$ 2	\$ 2,257	\$ 2,223

⁽¹⁾ To support individuals and organizations on projects associated with a specific purpose as designated by the Board.

⁽²⁾ Represents the fixed assets for public use in a conservation setting.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 10 Contractual Obligations
(in thousands)

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

	2018	2017
Grants	\$ 623	\$ 1,380
Service Contracts	331	548
	\$ 954	\$ 1,928

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

	Grants	Service Contracts	Total
2018-19	228	262	490
2019-20	345	5	350
2020-21	50	4	54
2021-22	-	3	3
2022-23	-	3	3
Thereafter	-	54	54
	\$ 623	\$ 331	\$ 954

Note 11 Benefit Plans
(in thousands)

The Corporation participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$283 for the year ended March 31, 2018 (2017: \$321). The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the Management Employees Pension Plan reported a surplus of \$866,006 (2016: surplus \$402,033), the Public Service Pension Plan reported a surplus of \$1,275,843 (2016 restated: surplus \$302,975) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$54,984 (2016: deficiency \$50,020).

The Corporation also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$111,983 (2017: surplus \$101,515) and the Management, Opted Out and Excluded Plan a surplus of \$29,805 (2017: surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2018

Note 12 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 13 Approval of Financial Statements

The Board approved the financial statements of Alberta Sport Connection.

Alberta Sport Connection
Schedule to Financial Statements
Revenues
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Government Transfers			
Government of Alberta Grants			
Department of Culture and Tourism	\$ 19,505	\$ 19,455	\$ 21,220
Alberta Foundation for the Arts	-	120	120
Other Government Entities	-	-	40
	<u>19,505</u>	<u>19,575</u>	<u>21,380</u>
Federal and Other Government Grants	<u>438</u>	<u>521</u>	<u>438</u>
Investment Income	<u>45</u>	<u>53</u>	<u>45</u>
Premiums, Fees and Licences			
Alberta Games Registration Fees	103	101	116
Alberta's Future Leaders Fees	15	11	18
Conference Fees	60	39	-
Other	52	84	71
	<u>230</u>	<u>235</u>	<u>205</u>
Donations and Other Contributions			
Donations	1,010	974	1,044
Sponsorship	1,035	123	94
	<u>2,045</u>	<u>1,097</u>	<u>1,138</u>
Other Revenue	<u>40</u>	<u>144</u>	<u>29</u>
Total Revenues	<u>\$ 22,303</u>	<u>\$ 21,625</u>	<u>\$ 23,235</u>

Alberta Sport Connection
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 3,481	\$ 3,110	\$ 3,126
Supplies and Services	2,368	2,249	1,473
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	145	145	144
Grants	16,309	16,073	18,380
Financial Transactions and Other	-	8	2
Amortization of Tangible Capital Assets	12	6	13
	\$ 22,315	\$ 21,591	\$ 23,138

⁽¹⁾ The Corporation receives financial and human resource services from the Department of Culture and Tourism.

Alberta Sport Connection
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2018
(in thousands)

	2018			2017	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Chair of the Board of Directors ^{(4), (8)}	\$ -	\$ 12	\$ -	\$ 12	\$ 37
Vice-Chair of the Board of Directors ⁽⁴⁾	-	2	-	2	1
Members of the Board of Directors ^{(4), (5)}	-	14	-	14	12
Chief Executive Officer ⁽⁷⁾	161	41	5	207	192
Directors:					
Sport Development ⁽⁶⁾	75	-	22	97	142
High Performance Sport Alberta Games and Marketing	109	-	26	135	143
Business Development and Communications ⁽⁷⁾	98	-	28	126	134
	93	17	7	117	115

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include vacation payout, pay in lieu of benefits, honoraria for Board members, and other lump sum payments. There were no bonuses paid in 2018.

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

(4) Members appointed to the Board are paid honoraria for attending Corporation meetings at rates set by order in council. They are also paid for sub-committee meetings, to attend out-of-town meetings and for attending to other Corporation duties.

(5) Number of members of the Board as of March 31, 2018 – nine (2017 – nine).

(6) This position was occupied by two or more individuals at different times during the year.

(7) The position receives an additional 16% of base pay in lieu of benefits.

(8) The position is vacant as of March 1, 2018.

Alberta Sport Connection
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

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

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

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

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Transfers from Department of Culture and Tourism	\$ 19,455	\$ 21,220	\$ -	\$ -
Transfers from Alberta Foundation for the Arts	120	120	-	-
Transfer from Indigenous Relations	-	-	-	20
Transfer from Education	-	-	-	20
	\$ 19,575	\$ 21,340	\$ -	\$ 40
Expenses – Directly Incurred				
Grants	\$ -	\$ -	\$ 922	\$ 1,043
Other Services	145	144	98	11
	\$ 145	\$ 144	\$ 1,020	\$ 1,054
Non-Grant Transfers to Alberta Environment and Parks				
Tangible Capital Assets	\$ -	\$ -	\$ -	\$ (792)
Cash	-	-	-	(232)
Deferred Revenue	-	-	-	132
	\$ -	\$ -	\$ -	\$ (892)
Payable to	\$ -	\$ 2	\$ 498	\$ 186
Receivable from	\$ -	\$ -	\$ -	\$ 11
Contractual Obligations	\$ -	\$ -	\$ -	\$ 53

Alberta Sport Connection
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

The Corporation 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 reported in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 263	\$ 257
Legal Services	-	-	12	25
Business Services	-	-	-	5
Other Services	100	82	-	-
	\$ 100	\$ 82	\$ 275	\$ 287

Alberta Sport Connection
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2018
(in thousands)

Program	2018					2017
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Business Services ⁽⁴⁾	Other Services ⁽⁵⁾	Total Expenses
Sport Development	\$ 11,815	\$ 140	\$ -	\$ -	-	\$ 11,955
High Performance Sport Alberta Games and Marketing	6,672	90	-	-	-	6,762
Parks and Wildlife Ventures	2,812	25	-	-	-	2,837
Administration	64	-	12	-	100	176
	228	8	-	-	-	236
	\$ 21,591	\$ 263	\$ 12	\$ -	\$ 100	\$ 21,966
						\$ 23,507

Expenses – Incurred by Others

- (1) Expenses - Directly Incurred as per Statement of Operations.
(2) The Department of Infrastructure provided accommodations. Costs shown for Accommodation (includes grants in lieu of taxes) allocated by square footage.
(3) The Department of Justice and Solicitor General provided Legal Services. Costs shown for Legal Services, allocated by estimated costs incurred by each program.
(4) The Department of Treasury Board and Finance provided internal audit services.
(5) The Department of Culture and Tourism provided consulting services.

Alberta Sport Connection
Schedule to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2018
(in thousands)

	2018				2017	
	Land	Buildings 40 years	Equipment 10 years	Land Improvements 40 years	Total	Total
Estimated Useful Life						
Historical Costs						
Beginning of Year	\$ 1,122	\$ 57	\$ 45	\$ 36	\$ 1,260	\$ 2,164
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Divestitures	-	-	-	-	-	-
Non-Grant Transfers to Alberta Environment and Parks	-	-	-	-	-	(904)
	<u>1,122</u>	<u>57</u>	<u>45</u>	<u>36</u>	<u>1,260</u>	<u>1,260</u>
Accumulated Amortization						
Beginning of Year	-	17	33	4	54	153
Amortization Expense	-	1	3	2	6	13
Effect of Disposals	-	-	-	-	-	-
Non-Grant Transfers to Alberta Environment and Parks	-	-	-	-	-	(112)
	<u>-</u>	<u>18</u>	<u>36</u>	<u>6</u>	<u>60</u>	<u>54</u>
Net Book Value at March 31, 2018	<u>\$ 1,122</u>	<u>\$ 39</u>	<u>\$ 9</u>	<u>\$ 30</u>	<u>\$ 1,200</u>	
Net Book Value at March 31, 2017	<u>\$ 1,122</u>	<u>\$ 40</u>	<u>\$ 12</u>	<u>\$ 32</u>		<u>\$ 1,206</u>

**Alberta Sport Connection
Schedule to Financial Statements
Artworks
Year Ended March 31, 2018
(Unaudited)**

The Corporation has artwork consisting of 17 prints (2017 – 17 prints) of the Waterfowl North America Collection #1250 with an approximate value of \$5,000 (2017 - \$5,000).

Historic Resources Fund

Financial Statements

March 31, 2018

**Historic Resources Fund
Financial Statements
March 31, 2018**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Expenses – Directly Incurred Detailed by Object

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs

Independent Auditor's Report

To the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of the Historic Resources Fund, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Historic Resources Fund as at March 31, 2018, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

June 6, 2018

Edmonton, Alberta

**Historic Resources Fund
Statement of Operations
Year Ended March 31, 2018
(in thousands)**

	2018		2017
	Budget	Actual	Actual
Revenues (Schedule 1)			
Jubilee Auditoria	\$ 7,207	\$ 7,430	\$ 5,953
Interpretive Programs and Services	5,472	6,793	6,164
Promotion and Presentation	4,553	2,799	2,894
Other Initiatives	229	361	212
Provincial Archives	120	128	116
	<u>17,581</u>	<u>17,511</u>	<u>15,339</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 2 and 4)			
Jubilee Auditoria	7,607	6,039	5,586
Interpretive Programs and Services	5,449	6,314	6,401
Promotion and Presentation	4,154	1,960	2,378
Other Initiatives	480	545	420
Provincial Archives	120	205	177
	<u>17,810</u>	<u>15,063</u>	<u>14,962</u>
Annual Operating Surplus	<u>\$ (229)</u>	\$ 2,448	\$ 377
Accumulated Surplus, Beginning of Year		16,738	16,100
Non-Grant Transfer of Tangible Capital Assets with other Government Entities		<u>-</u>	<u>261</u>
Accumulated Surplus, End of Year		<u>\$ 19,186</u>	<u>\$ 16,738</u>

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

Historic Resources Fund
Statement of Financial Position
As at March 31, 2018
(in thousands)

	2018	2017
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 15,143	\$ 13,579
Accounts Receivable (Note 5)	893	841
Inventories for Resale	883	527
	16,919	14,947
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	1,123	1,758
Deferred Contributions (Note 8)	1,036	1,114
	2,159	2,872
Net Financial Assets	14,760	12,075
Non-Financial Assets		
Tangible Capital Assets (Note 9)	4,370	4,663
Prepaid Expenses	56	-
	4,426	4,663
Net Assets	19,186	16,738
Net Assets		
Accumulated Surplus, Beginning of Year (Note 10)	16,738	16,100
Non-Grant Transfer of Tangible Capital Assets with other Government Entities	-	261
Annual Operating Surplus	2,448	377
Accumulated Surplus, End of Year	\$ 19,186	\$ 16,738

Contractual Rights (Note 6)

Contractual Obligations (Note 11)

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

Historic Resources Fund
Statement of Changes in Net Financial Assets
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Annual Operating Surplus	\$ (229)	\$ 2,448	\$ 377
Acquisition of Tangible Capital Assets (Note 9)	(665)	(469)	(389)
Amortization of Tangible Capital Assets (Note 9)	894	762	798
(Increase)/Decrease in Prepaid Expenses		(56)	-
Increase in Net Financial Assets in the Year		2,685	786
Net Financial Assets, Beginning of Year		12,075	11,289
Net Financial Assets, End of Year		<u>\$ 14,760</u>	<u>\$ 12,075</u>

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

**Historic Resources Fund
Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)**

	2018	2017
Operating Transactions		
Annual Operating Surplus	\$ 2,448	\$ 377
Non-cash Items		
Amortization of Tangible Capital Assets (Note 9)	762	798
Deferred Contributions Recognized as Revenue (Note 8)	(580)	(604)
	2,630	571
(Increase) in Accounts Receivable	(52)	(113)
(Increase) in Inventories for Resale	(356)	(43)
(Increase) in Prepaid Expenses	(56)	-
(Decrease) in Accounts Payable and Accrued Liabilities	(635)	(180)
Contributions Restricted for Operating (Note 8)	502	679
Cash Provided by Operating Transactions	2,033	914
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 9)	(469)	(389)
Cash (Applied to) Capital Transactions	(469)	(389)
Increase in Cash and Cash Equivalents	1,564	525
Cash and Cash Equivalents at Beginning of Year	13,579	13,054
Cash and Cash Equivalents at End of Year	\$ 15,143	\$ 13,579

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 1 Authority and Purpose

Historic Resources Fund (Fund) operates under the authority of the *Historical Resources Act*, Chapter H-9, and Revised Statutes of Alberta 2000.

The purpose of the Fund is to protect, enhance, promote and display Alberta's historic resources by funding programs designated by the Lieutenant Governor in Council and by promoting the use and development of related facilities.

The Fund is an agent of the Crown in right of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Historic Resources Fund, which is part of the Ministry of Culture and Tourism (Ministry) and for which the Minister of Culture and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Government Transfers

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

Government transfers and the associated externally restricted investment income are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the Fund's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Fund complies with its communicated use of the transfer.

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Donations and Non-Government Contributions

Donations and non-government contributions are received from individuals, corporations, and private sector not-for-profit organizations. Donations and non-government contributions may be unrestricted or externally restricted for operating or capital purposes.

Unrestricted donations and non-government contributions are recognized as revenue in the year received or in the year the funds are committed to the Fund if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations, non-government contributions, and realized and unrealized gains and losses for the associated externally restricted investment income are recognized as deferred revenue if the terms for their use, or the terms along with the Fund's actions and communications as to the use, create a liability. These resources are recognized as revenue as the terms are met and, when applicable, the Fund complies with its communicated use.

In-kind donations of services and materials are recognized at fair value when such value can reasonably be determined. While volunteers contribute a significant amount of time each year to assist the Fund, the value of their services is not recognized as revenue and expenses in the financial statements because fair value cannot be reasonably determined.

Investment Income

Investment income includes interest income earned on the Consolidated Cash Investment Trust Fund of the Province of Alberta accounts.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Transfers include entitlements, grants and transfers under shared cost agreements. Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Fund's operations are not recognized but disclosed in Schedule 3 and allocated to programs in Schedule 4.

Valuation of Financial Assets and Liabilities

The Fund's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost
Accounts Receivable	Lower cost or net recoverable value
Accounts Payable and Accrued Liabilities	Cost

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Fund's financial claims on external organizations and individuals, and inventories for resale at the year end.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts Receivable

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

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Financial Assets (continued)

Inventories for resale

Inventories for resale are valued at the lower of cost and net realizable value. Cost is determined on first in first out basis.

Liabilities

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

Liabilities also include:

- all financial claims payable by the Fund at the year end; and
- contingent liabilities where future liabilities are likely.

Non-Financial Assets

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

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

Non-financial assets are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

Work in progress, which includes exhibit development and equipment, is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

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

Equipment	3 - 20 Years
Computer Hardware and Software	5 Years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Fund's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Externally restricted tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Contributed tangible capital assets from non-related entities are recognized at their fair value at the time of the contribution.

Prepaid Expense

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

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization is based on the estimated useful lives of tangible capital assets.

(c) Change in Accounting Policy

The Fund has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets and PS 3380 Contractual Rights which are reflected in Note 2, Note 6 and Schedule 3.

Additionally, PS 3320 Contingent Assets has been adopted by the Fund, but had no impact on the financial statements.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2018**

Note 3 Future Accounting Changes

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The Fund has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

Management is currently assessing the impact of these standards on the financial statements.

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 4 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2018	2017
Unrestricted Cash	\$ 269	\$ 521
Externally Restricted Cash ⁽¹⁾	703	657
Internally Restricted Cash ⁽²⁾	14,171	12,401
Total	\$ 15,143	\$ 13,579

(1) Provided by individuals and organizations for projects associated with a specific purpose.

(2) To support operations and development for the entertainment and engagement of Albertans through theater productions and acquisition of artifacts and artwork.

Cash and cash equivalents consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by CCITF had a time-weighted return of 1.1% (2017 – 0.9%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 5 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018			2017	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 804	\$ (5)	\$ 799	\$ 795	
Other Receivable	94	-	94	46	
	\$ 898	\$ (5)	\$ 893	\$ 841	

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 6 Contractual Rights
(in thousands)

Contractual rights are rights of the Fund to economic resources arising from land grazing lease contracts and rental agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2018	2017
Contractual Rights from Operating Leases and Contracts	\$ 1,458	\$ 2,788
	\$ 1,458	\$ 2,788

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases and Contracts
2018-19	\$ 1,418
2019-20	31
2020-21	1
2021-22	1
2022-23	1
Thereafter	6
	\$ 1,458

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2018	2017
Trade Accounts Payable	\$ 1,034	\$ 1,637
Other	89	121
	\$ 1,123	\$ 1,758

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 8 Deferred Contributions
(in thousands)

	2018	2017
Unearned Revenue (a)	\$ 334	\$ 457
Deferred Revenue (b)	702	657
	\$ 1,036	\$ 1,114

(a) Unearned Revenue

Represent amounts received in advance of providing goods or services.

	2018	2017
Balance, Beginning of Year	\$ 457	\$ 343
Received/Receivable During Year	442	551
Less Amounts Recognized as Revenue	(565)	(437)
Balance, End of Year	\$ 334	\$ 457

(b) Deferred Revenue

Represent externally restricted contributions received relating to expenses of future years.

	2018	2017
Balance, Beginning of Year	\$ 657	\$ 696
Received/Receivable During Year	60	128
Less Amounts Recognized as Revenue	(15)	(167)
Balance, End of Year	\$ 702	\$ 657

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 9 Tangible Capital Assets
(in thousands)

	2018			2017
	Equipment	Computer Hardware and Software	Total	Total
Estimated Useful Life	3 - 20 years	5 years		
Historical Cost ⁽¹⁾				
Beginning of Year	\$ 12,643	\$ 269	\$ 12,912	\$ 12,558
Additions	469	-	469	389
Disposals, Including Write-Downs	(1,766)	(15)	(1,781)	(202)
Non-Grant Transfers (to) from Others	-	-	-	167
	11,346	254	11,600	12,912
Accumulated Amortization				
Beginning of Year	7,996	253	8,249	7,747
Amortization Expense	746	16	762	798
Effect of Disposals, Including Write-Downs	(1,766)	(15)	(1,781)	(202)
Non-Grant Transfers (to) from Others	-	-	-	(94)
	6,976	254	7,230	8,249
Net Book Value at March 31, 2018	\$ 4,370	\$ -	\$ 4,370	
Net Book Value at March 31, 2017	\$ 4,647	\$ 16		\$ 4,663

⁽¹⁾ Historical cost includes equipment work-in-progress at March 31, 2018 totalling \$333 (2017 – \$431).

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 10 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	2018				2017	
	Internally Restricted - Glenbow Alberta Institute ⁽¹⁾	Internally Restricted - Jubilee Auditoria ⁽²⁾	Net Investment in Tangible Capital Assets Internally Restricted - Jubilee Auditoria	Net Investment in Tangible Capital Assets Unrestricted	Unrestricted	Total
Balance at beginning of year	\$ 168	\$ 10,628	\$ 4,095	\$ 568	\$ 1,279	\$ 16,738
Annual Operating Surplus (Deficit)	(9)	1,391	-	-	1,066	2,448
Net Investment in Capital Assets Non-Grant Transfer of Capital Assets with other Government Entities	-	348	(348)	55	(55)	-
Balance at end of year	<u>\$ 159</u>	<u>\$ 12,367</u>	<u>\$ 3,747</u>	<u>\$ 623</u>	<u>\$ 2,290</u>	<u>\$ 19,186</u>
						<u>\$ 16,738</u>

⁽¹⁾ The purpose of the fund is to acquire new provincial historical artifacts from the proceeds of the disposition of deaccessioned provincial collections displayed at the Glenbow-Alberta Institute.

⁽²⁾ Accumulated surpluses arising from the operation of the Jubilee Auditoria may only be used for the payment of expenses related to the Jubilee Auditoria.

Historic Resources Fund
Notes to the Financial Statements
March 31, 2018

Note 11 Contractual Obligations
(in thousands)

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

	2018	2017
Service Contracts	\$ 6,078	\$ 7,433

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

	Service Contracts
2018-19	4,522
2019-20	533
2020-21	491
2021-22	420
2022-23	112
Thereafter	-
	\$ 6,078

Note 12 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 13 Approval of Financial Statements

The senior financial officer and the deputy minister approved the financial statements of Historic Resources Fund.

Historic Resources Fund
Schedule to Financial Statements
Revenues
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Federal Government Transfers	\$ -	\$ 173	\$ 9
Government of Alberta Transfers			
Transfers from Travel Alberta Corporation	-	-	23
Investment Income	83	163	114
Premiums, Fees and Licenses			
Admission Fees	5,577	6,913	6,268
Lands and Grazing	-	28	28
	5,577	6,941	6,296
Other Revenue			
Sales	4,702	4,733	3,869
Rental Revenue	3,731	3,998	3,340
Recoveries	3,443	1,374	1,356
Other Grants and Contributions	-	73	215
Donations	45	32	40
Prior Years Refunds of Expenses	-	2	67
Other Miscellaneous Revenue ⁽¹⁾	-	22	10
	11,921	10,234	8,897
Total Revenues	\$ 17,581	\$ 17,511	\$ 15,339

⁽¹⁾ Gains from disposal of tangible capital assets and revenues resulting from transfers of assets or liabilities are included in Other Miscellaneous Revenue.

Historic Resources Fund
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Contracted Services	\$ 7,569	\$ 7,568	\$ 7,364
Supplies and Services from Support			
Service Arrangements with Related Parties ⁽¹⁾⁽²⁾	3,861	3,485	3,679
Materials and Supplies	4,406	2,324	1,979
Consumption of Inventories	650	311	302
Amortization of Tangible Capital Assets (Note 9)	894	762	798
General Office	343	452	670
Travel	84	51	55
Financial Transactions and Other	-	90	107
Hosting	3	20	8
	<u>\$ 17,810</u>	<u>\$ 15,063</u>	<u>\$ 14,962</u>

⁽¹⁾ The Fund receives financial and administrative services from the Department of Culture and Tourism.

⁽²⁾ The Fund receives administrative services from the Department of Environment and Parks.

Historic Resources Fund
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

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

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

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

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Transfers from Travel Alberta Corporation	\$ 1	\$ 23	\$ -	\$ -
Other Revenue	-	-	4	3
	<u>\$ 1</u>	<u>\$ 23</u>	<u>\$ 4</u>	<u>\$ 3</u>
Expenses – Directly Incurred				
Other Services	\$ 3,453	\$ 3,647	\$ 199	\$ 370
	<u>\$ 3,453</u>	<u>\$ 3,647</u>	<u>\$ 199</u>	<u>\$ 370</u>
Non-Grant Transfers of Tangible Capital Assets In (Out)				
	\$ -	\$ 307	\$ -	\$ (46)
Receivable from				
	<u>\$ -</u>	<u>\$ 307</u>	<u>\$ 1</u>	<u>\$ -</u>
Payable to				
	<u>\$ -</u>	<u>\$ 763</u>	<u>\$ 595</u>	<u>\$ 377</u>
Contractual Obligations				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214</u>	<u>\$ 473</u>
Contractual Rights				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164</u>	<u>\$ 440</u>

Historic Resources Fund
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

The Fund 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 reported in the financial statements but are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Expenses – Incurred by Others				
Other Services	\$ 508	\$ 508	\$ -	\$ -
Accommodation and Business Services	-	-	224	199
	\$ 508	\$ 508	\$ 224	\$ 199

Historic Resources Fund
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2018
(in thousands)

Program	2018				2017
	Expenses ⁽¹⁾	Other Services ⁽²⁾	Accommodation ⁽³⁾	Business Services ⁽⁴⁾	Total Expenses
Jubilee Auditoria	\$ 6,039	\$ -	\$ 78	\$ 30	\$ 6,147
Interpretive Programs and Services	6,314	356	81	-	6,751
Promotion and Presentation	1,960	110	25	-	2,095
Other Initiatives	545	31	7	-	583
Provincial Archives	205	11	3	-	219
	\$ 15,063	\$ 508	\$ 194	\$ 30	\$ 15,795
					\$ 15,669

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

(2) The Department of Culture and Tourism provided financial and administrative services. Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.

(3) The Department of Infrastructure provided accommodations. Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

(4) The Department of Treasury Board and Finance provided internal audit services.

Travel Alberta

Financial Statements

March 31, 2018

**Travel Alberta
Financial Statements
March 31, 2018**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Detailed by Object

Schedule 2 – Salary and Benefits Disclosure

Schedule 3 – Related Party Transactions

Independent Auditor's Report

To the Board of Directors of Travel Alberta and the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2018, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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

Auditor General

May 17, 2018

Edmonton, Alberta

Travel Alberta
Statement of Operations
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget (Note 4)	Actual	Actual
Revenues			
Government Transfer			
Government of Alberta Grant	\$ 49,200	\$ 48,075	\$ 49,450
Investment Income	200	308	253
Premiums, Fees and Licences	365	245	255
Sponsorship	-	107	104
Revenue from Partners	100	741	1,265
	49,865	49,476	51,327
Expenses – (Note 2(b) and Schedule 1)			
Global Marketing	34,450	35,658	35,436
Regional Industry Marketing	9,815	9,621	10,724
Corporate Operations	5,670	5,192	5,646
	49,935	50,471	51,806
Annual Operating Deficit	\$ (70)	\$ (995)	\$ (479)
Accumulated Surplus at beginning of year		7,599	8,078
Accumulated Surplus at end of year		\$ 6,604	\$ 7,599

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

Travel Alberta
Statement of Financial Position
As at March 31, 2018
(in thousands)

	2018	2017
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 16,352	\$ 26,067
Accounts Receivable (Note 6)	68	120
	16,420	26,187
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	10,082	18,904
	10,082	18,904
Net Financial Assets	6,338	7,283
Non-Financial Assets		
Tangible Capital Assets (Note 8)	163	231
Prepaid Expenses (Note 6)	103	85
	266	316
Net Assets	6,604	7,599
Net Assets		
Accumulated Surplus (Note 9)	\$ 6,604	\$ 7,599
Contractual obligations (Note 10)		

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

Travel Alberta
Statement of Change in Net Financial Assets
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Annual Deficit	\$ (70)	\$ (995)	\$ (479)
Acquisition of Tangible Capital Assets (Note 8)		(8)	(131)
Amortization of Tangible Capital Assets (Note 8)	70	76	65
Loss on Disposal of Tangible Capital Assets		-	22
Increase in Prepaid Expenses		(18)	(54)
Decrease in Net Financial Assets in the Year		\$ (945)	\$ (577)
Net Financial Assets, Beginning of Year		7,283	7,860
Net Financial Assets, End of Year		<u>\$ 6,338</u>	<u>\$ 7,283</u>

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

Travel Alberta
Statement of Cash Flows
Year Ended March 31, 2018
(in thousands)

	2018	2017
Operating Transactions		
Annual Deficit	\$ (995)	\$ (479)
Non-cash Items		
Amortization of Tangible Capital Assets (Note 8)	76	65
Loss on Disposal of Tangible Capital Assets	-	22
	(919)	(392)
Decrease in Accounts Receivable	52	45
Increase in Prepaid Expenses	(18)	(54)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(8,822)	10,770
	(9,707)	10,369
Cash (Applied to) Provided by Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	(8)	(131)
	(8)	(131)
Cash Applied to Capital Transactions		
(Decrease) Increase in Cash and Cash Equivalents	(9,715)	10,238
Cash and Cash Equivalents at Beginning of Year	26,067	15,829
Cash and Cash Equivalents at End of Year	\$ 16,352	\$ 26,067

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

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 1 Authority and Purpose

Travel Alberta (the “Corporation”) operates under the authority of the *Travel Alberta Act*, Chapter T-6.5, Statutes of Alberta 2008.

The purpose of the Corporation is to:

- market tourism assets, attractions and opportunities present in Alberta, in domestic, national and international markets,
- promote Alberta as a destination for tourists and other visitors,
- assist Alberta’s tourism industry operators to market their products, and
- exercise or perform any other powers, duties and functions as may be regulated from time to time by the Lieutenant Governor in Council.

The Corporation is an agent of the Crown in right of Alberta and as such has a tax exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS).

(a) Reporting Entity

The reporting entity is Travel Alberta, which is part of the Ministry of Culture and Tourism (Ministry) and for which the Minister of Culture and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry’s operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

Revenue from Partners is received or receivable for specific marketing projects. The revenue is recognized as the projects take place.

Government Transfers

Transfers from all governments are referred to as government transfers.

**Travel Alberta
Notes to the Financial Statements
March 31, 2018**

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government transfers are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of the transfers.

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

Investment Income

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

Expenses

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

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

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and Cash Equivalents	Cost
Accounts Receivable	Lower cost or net recoverable value
Accounts Payable and Accrued Liabilities	Cost

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

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

Travel Alberta
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals.

Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes

Accounts Receivable

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

Liabilities

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

Liabilities also include contingent liabilities where future liabilities are likely.

Foreign Currency Translation

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

Travel Alberta
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Non Financial Assets

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

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

Non-financial assets are limited to tangible capital assets and prepaid expenses

Tangible Capital Assets

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

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

Furniture and Equipment	5 Years
Computer Hardware and Software	3 Years
Leasehold Improvements	Term of lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing new systems development is \$250,000 and the threshold for major system enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Prepaid Expense

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

Travel Alberta
Notes to the Financial Statements
March 31, 2018

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

(b) Basis of Financial Reporting (continued)

Funds and Reserves

Certain amounts, as approved by the Corporation's Board of Directors, are set aside in accumulated surplus for future operating purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization of tangible capital assets is based on the estimated useful lives of tangible capital assets. Accrued Liabilities are based on management estimates of expenses incurred but not invoiced to the Corporation at March 31, 2018.

(c) Change in Accounting Policy

The Corporation has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Note 2.

As a result of changes in accounting policy, disclosure for related party transactions is provided in Schedule 3. At March 31, 2018, there is no impact for PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights standards on the financial statements.

Note 3 Future Accounting Changes

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of these standards on the financial statements.

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 4 Budget
(in thousands)

A preliminary business plan with a budgeted deficit of \$70 was approved by the Board on May 17, 2017 and the full financial plan was submitted to the Minister of Culture and Tourism. The budget reported in the Statement of Operations reflects the original \$70 deficit.

Note 5 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2018	2017
Consolidated Cash Investment Trust Fund Cash	\$ 44	\$ 9,874
Cash and Cash Equivalents	16,308	16,193
Total	\$ 16,352	\$ 26,067

Cash and cash equivalents consists of funds in operating accounts and deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

As at March 31, 2018, securities held by CCITF had a time-weighted return of 1.1% (2017 – 0.9%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

The Cash and Cash Equivalents of \$16,352 includes an amount of \$6,441 that is restricted for the Corporation's Sustainability Fund (Note 9).

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 6 Accounts Receivable
(in thousands)

	2018		2017	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 68	\$ -	\$ 68	\$ 120
Prepaid Expenses	103	-	103	85
	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 171</u>	<u>\$ 205</u>

Accounts receivable are unsecured and non-interest bearing.

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2018	2017
Accounts Payable	\$ 5,580	\$ 14,866
Other Liabilities	102	89
Other Accrued Liabilities	4,400	3,949
	<u>\$ 10,082</u>	<u>\$ 18,904</u>

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 8 Tangible Capital Assets
(in thousands)

	2018			2017	
	Computer Hardware and Software	Leasehold Improvements	Equipment	Total	Total
Estimated Useful Life	3 years	Term of lease	5 years		
Historical Cost					
Beginning of Year	\$ 375	\$ 407	\$ 75	\$ 857	\$ 775
Additions	-	-	8	8	131
Disposals, Including Write-Downs	-	-	-	-	(49)
	375	407	83	865	857
Accumulated Amortization					
Beginning of Year	335	290	1	626	588
Amortization Expense	19	41	16	76	65
Effect of Disposals, Including Write-Downs	-	-	-	-	(27)
	354	331	17	702	626
Net Book Value at March 31, 2018	\$ 21	\$ 76	\$ 66	\$ 163	
Net Book Value at March 31, 2017	\$ 40	\$ 117	\$ 74		\$ 231

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 9 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	Investment In Tangible Capital Assets	Sustainability Fund ⁽¹⁾	Unrestricted	Total
Balance at beginning of year	\$ 231	\$ 7,368	\$ -	\$ 7,599
Annual Deficit	-	(995)	-	(995)
Net Investment in Capital Assets	(68)	68	-	-
Balance at the end of year	<u>\$ 163</u>	<u>\$ 6,441</u>	<u>\$ -</u>	<u>\$ 6,604</u>

⁽¹⁾ The internally restricted Sustainability Fund, approved by the Board of Directors, allows sustainability of programs in future years when declines in funding would have otherwise required reductions in the program spending.

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 10 Contractual Obligations
(in thousands)

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

	2018	2017
Operating Leases	\$ 2,015	\$ 2,965
Grants	758	600
Service Contracts	18,816	35,401
	\$ 21,589	\$ 38,966

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

	Operating Leases	Grants	Service Contracts	Total
2018-19	\$ 1,084	\$ 656	\$ 17,984	\$ 19,724
2019-20	912	102	539	1,553
2020-21	18	-	195	213
2021-22	1	-	85	86
2022-23	-	-	13	13
Thereafter	-	-	-	-
	\$ 2,015	\$ 758	\$ 18,816	\$ 21,589

Note 11 Benefit Plans
(in thousands)

The Corporation participates in the following multi-employer pension plans: the Management Employees Pension Plan (MEPP), Public Sector Pension Plan (PSPP) and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$1,042 for the year ended March 31, 2018 (2017: \$1,214). The Corporation accounts for their multi-employer pension plans on a defined contribution basis. The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017 the Management Employees Pension Plan (MEPP) reported a surplus of \$866,006 (2016: surplus \$402,033), the Public Sector Pension Plan (PSPP) reported a surplus of \$1,275,843 (2016: surplus \$302,975) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$54,984 (2016: deficiency \$50,020).

Travel Alberta
Notes to the Financial Statements
March 31, 2018

Note 12 Financial Risk Management

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

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

(a) Interest rate risk

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

(b) Liquidity risk

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

(c) Other price risk

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

(d) Credit risk

The Corporation is not exposed to any significant credit risk from potential non-payment of accounts receivable. As at March 31, 2018, the balance of accounts receivables does not contain amounts that are uncollectible.

Note 13 Comparative Figures

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

Note 14 Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on May 17, 2018.

Travel Alberta
Schedule to Financial Statements
Expenses –Detailed by Object
Year Ended March 31, 2018
(in thousands)

	2018		2017
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 9,800	\$ 8,375	\$ 9,043
Supplies and Services	33,065	35,571	35,723
Grants ⁽¹⁾	7,000	6,441	6,941
Financial Transactions and Other	-	8	34
Amortization of Tangible Capital Assets	70	76	65
	\$ 49,935	\$ 50,471	\$ 51,806

⁽¹⁾ Grants include the Corporation's Co-operative Marketing Investment Program and other grants

Travel Alberta
Salary and Benefit Disclosure
Year Ended March 31, 2018
(in thousands)

	2018			2017	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total
Chair of the Board of Directors	\$ -	\$ 14	\$ 2	\$ 16	\$ 21
Members of the Board of Directors ⁽⁴⁾	-	36	7	43	23
<u>Executives</u>					
Chief Executive Officer	230	-	55	285	300
Vice President, Business Development	170	1	44	215	224
Vice President, Global Consumer Marketing ⁽⁵⁾	149	-	44	193	227
Vice President, Industry Development	170	-	49	219	219
Vice President, Community Relations ⁽⁶⁾	-	-	-	-	77
Vice President, Finance and Corporate Administration	160	1	42	203	208
	\$ 879	\$ 52	\$ 243	\$ 1,174	\$ 1,299

(1) Base salary includes regular salary.

(2) Other cash benefits include honoraria and vacation payouts.

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

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

(5) The Vice President, Global Consumer Marketing position was vacant from April 1, 2017 to May 15, 2017

(6) The Vice President, Community Relations was on a leave of absence until January 2017, at which time this position was abolished. A retiring allowance for this position is included in 2017.

Travel Alberta
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements. Related parties also include key management personnel and close family members of those individuals in the Corporation. The Corporation and its employees paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

At March 31, 2017, related parties included:

- Two private companies which have a significant shareholder acting as a director and officer who has served as a Director of Travel Alberta since April 1, 2013 and ended his Director term on September 30, 2016.

One of the private companies provides printing services to Travel Alberta amounting to \$13 up to September 30, 2016. These services were provided on normal commercial terms which represent fair value.

The other private company holds a long term lease with Travel Alberta for its Calgary office premises. Travel Alberta entered into the lease contract in September 2009 and paid \$500 up to September 30, 2016 pursuant to the lease terms. The lease is based on normal commercial terms and the lease terms represented fair value at the inception of the lease.

- A globally integrated enterprise which had one of its Canadian executives serving as a Director of Travel Alberta since April 1, 2013 and who retired from her executive position on July 31, 2016.

The enterprise provides IT services to Travel Alberta amounting to \$78 up to July 31, 2016. These services were provided on normal commercial terms which represents fair value.

At March 31, 2018, there are no related parties transactions associated with:

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

- Companies connected to members of the Corporation's Board of Directors.

Travel Alberta
Related Party Transactions
Year Ended March 31, 2018
(in thousands)

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

	<u>2018</u>	<u>2017</u>
Revenues		
Grants	\$ 48,075	\$ 49,450
Other	-	2
	<u>48,075</u>	<u>49,452</u>
Expenses		
Grants	-	23
Other Services	16	602
	<u>\$ 48,059</u>	<u>\$ 48,827</u>
Tangible Capital Assets Transferred In (Out)	<u>\$ -</u>	<u>\$ -</u>
Receivable from/Payable to	<u>\$ (2)</u>	<u>\$ (9,832)</u>
Debt to Related Parties	<u>\$ -</u>	<u>\$ -</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ -</u>

Other Financial Information - unaudited

Ministry of Culture and Tourism
Statements of Writeoffs Year Ended March 31, 2018

The following has been prepared pursuant to section 23 of the *Financial Administration Act*. This statement includes all writeoffs made or approved during the fiscal year. There were no remissions or compromises.

Writeoffs

Accounts Receivable	\$8,520.14
Tangible Capital Assets	\$92,520.76
Total Writeoffs	<u>\$101,040.90</u>

Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure Act* requires the ministry to report annually on the following parts of the Act:

- (a) the number of disclosures received by the designated officer of the Public Interest Disclosure Office, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- (b) the number of investigations commenced by the designated officer as a result of disclosures;
- (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

In 2017-18 for the department, there were no disclosures of wrongdoing or investigations undertaken by the Public Interest Disclosure Office.

Acts Administered by Culture and Tourism

The Ministry of Culture and Tourism is responsible for a wide array of acts that have a direct impact on quality of life in Alberta. Below is a list of all the acts administered by the ministry. The acts are available on the ministry's website (www.culture.alberta.ca/about/legislation/).

NAME OF ACT	DESCRIPTION
<i>Alberta Centennial Medal Act</i>	Establishes the Centennial Medal as an official honour of the Crown in right of Alberta to recognize individuals who have made significant contributions to society and to honour their outstanding achievements.
<i>Alberta Foundation for the Arts Act</i>	Establishes the foundation with its mandate to support and contribute to the development of and to promote the arts in Alberta; development to provide persons and organizations with the opportunity to participate in the arts in Alberta; to foster and promote the enjoyment of works of art by Alberta artists; to collect, preserve and display works of art by Alberta artists; to encourage artists resident in Alberta in their work.
<i>Alberta Sport Connection Act</i>	Establishes the corporation with its mandate to develop and maintain sport programs, facilities and services; and to raise funds to assist the corporation in carrying out its objects.
<i>Emblems of Alberta Act</i>	Establishes provincial emblems and governs the reproduction and use of emblems.
<i>Film and Video Classification Act</i>	Provides a comprehensive procedure for the classification and regulation of films, and provides for the dissemination of information concerning the nature and content of films.
<i>First Nations Sacred Ceremonial Objects Repatriation Act</i>	Provides the mechanism for the repatriation of First Nations sacred ceremonial objects.
<i>Foreign Cultural Property Immunity Act</i>	Provides immunity from seizure of foreign cultural property in Alberta.
<i>Glenbow-Alberta Institute Act</i>	Establishes the corporation name "Glenbow-Alberta Institute" to promote and encourage the acquisition and diffusion of knowledge of the human race, its arts, its history and the nature of the world in which it lives, in the manner that best serves the educational and cultural needs of the peoples of Alberta.
<i>Historical Resources Act</i>	Provides the co-ordination of the orderly development, preservation, the study and interpretation, the promotion of appreciation and management of Alberta Historic Resources; establishes The Historic Resources Fund and The Alberta Historical Resources Foundation.
<i>Holocaust Memorial Day and Genocide Remembrance Act</i>	Establishes Yom ha-Shoah, the Day of the Holocaust as determined in each year by the Jewish lunar calendar as – "Holocaust Memorial Day."
<i>Queen Elizabeth II Golden Jubilee Recognition Act</i>	Establishes special awards and scholarships that honour Alberta youth in recognition of the Queen's Golden Jubilee.

Acts Administered by Culture and Tourism

NAME OF ACT	DESCRIPTION
<i>Travel Alberta Act</i>	Establishes the corporation with its mandate to market the tourism assets, attractions and opportunities present in Alberta in domestic, national and international markets; to promote Alberta as a destination for tourists and other visitors; and to assist Alberta's tourism industry operators to market their products.
<i>Ukrainian-Canadian Heritage Day Act</i>	Establishes the 7th of September in each year as "Alberta's Ukrainian-Canadian Heritage Day." The date was chosen to honour the first officially recorded Ukrainian immigrants, Ivan Pylypiw and Vasyl Eleniak, who arrived in Canada on September 7, 1891.
<i>Ukrainian Famine and Genocide (Holodomor) Memorial Day Act</i>	Establishes the 4th Saturday in November in each year as "Ukrainian Famine and Genocide (Holodomor) Memorial Day."

Readership Survey

Culture and Tourism 2017-18 Annual Report

Thank you for reading the Ministry of Culture and Tourism annual report. We hope that you will take a few minutes to complete this readership survey. We are committed to continuous improvement and welcome your feedback and suggestions.

Instructions:

Please read each question carefully and circle the rating that best describes your response. If you require more space for your response, please use a separate piece of paper and identify the corresponding question clearly. If you have any questions, or require further clarification, contact Richard Williams at 780-643-1978 or Richard.Williams@gov.ab.ca.

If you would like to be contacted regarding your feedback, please provide your information below.

Name:

Organization:

Telephone Number:

Email:

1. Having read the *annual report*, how would you rate it overall on the following characteristics? Using scale one to five, where ONE is STRONGLY DISAGREE, THREE is NEUTRAL, and FIVE is STRONGLY AGREE, do you agree that... *(Please circle only one rating number for each statement.)*

	strongly disagree		neutral		strongly agree
I learned something new about the ministry reading this report	1	2	3	4	5
This annual report is easy to read	1	2	3	4	5
This annual report was informative and useful to me	1	2	3	4	5
The report has an appealing format/look	1	2	3	4	5
I can easily find information that I am looking for	1	2	3	4	5
I plan on using this annual report as a reference	1	2	3	4	5
Overall, this annual report meets my needs as a reader	1	2	3	4	5

2. What areas or features did you like the most about this annual report?

3. What areas or features would you recommend for further improvement?

Please complete and email it to Richard.Williams@gov.ab.ca or mail it to Culture and Tourism, Planning and Performance Measurement, 7th Floor, Standard Life Centre, 10405 Jasper Avenue, Edmonton, Alberta, Canada, T5J 4R7.

