

Culture and Tourism

Annual Report **2018–2019**

Note to Readers:

Copies of the annual report are available on the Alberta Open Government Portal website www.alberta.ca

Culture and Tourism

Communications

740, 10405 Jasper Avenue
Edmonton, Alberta T5J 4R7

Phone: 780-427-6530
Fax: 780-427-1496

ISBN: 978-1-4601-4372-8 (Print)
ISBN: 978-1-4601-4373-5 (PDF online)
ISSN: 2369-2197 (Print)
ISSN: 2369-2200 (PDF online)

Copyright © 2019 President of Treasury Board, Minister of Finance and its licensors. All rights reserved.

Table of Contents

Preface	2
Message from the Minister	3
Management’s Responsibility for Reporting	4
Results Analysis	5
Ministry Overview	5
Department	6
Other Reporting Entities.....	7
Discussion and Analysis of Results	8
Outcome One.....	8
Performance Measure and Indicator Methodology	12
Discussion and Analysis of Results	23
Outcome Two.....	23
Performance Measure and Indicator Methodology	27
Financial Information	34
Introduction	35
Reporting Entity and Method of Consolidation	36
Ministry Financial Highlights	37
Statement of Revenues and Expenses (unaudited)	37
Revenue and Expense Highlights.....	38
Revenues (unaudited).....	39
Expenses – Detailed by Object (unaudited).....	40
Supplemental Financial Information	42
Tangible Capital Assets (unaudited)	42
Artworks and Collections (unaudited)	44
Other Financial Information	46
Statement of Credit or Recovery (unaudited)	46
Lapse/Encumbrance (unaudited).....	47
Financial Statements of Other Reporting Entities	49
Other Statutory Reports	176
Public Interest Disclosure (Whistleblower Protection) Act	177
Acts Administered by Culture and Tourism	178

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.

On April 30, 2019, the government announced new ministry structures. As such, the former ministry of Culture and Tourism became the current ministry of Culture, Multiculturalism and Status of Women. The 2018-19 Annual Report reflects the 2018-21 ministry business plan and the ministry's activities and accomplishments during the 2018-19 fiscal year which ended on March 31, 2019. The new ministry structures will be reflected in the 2019-20 Ministry Annual Report.

The annual report of the Government of Alberta contains the consolidated financial statements of the province and the 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 financial information 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 Alberta Foundation for the Arts, the Alberta Historical Resources Foundation, the Alberta Sport Connection, and the Historic Resources Fund, and Travel Alberta for which the minister was 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.

In December 2018, government announced changes to the 2018-19 ministry annual reports. Ministry and department audited financial statements previously included in the annual report of the Ministry of Culture and Tourism have been replaced with the financial information of the ministry on pages 37-49.

Key information previously contained in the annual reports of each of the 21 ministries is now included in the audited consolidated financial statements of the province.

Message from the Minister

In 2018-19, the Ministry of Culture and Tourism provided essential support to the sectors that enrich the lives of Albertans and make significant contributions to Alberta's economy. This report includes the performance indicators of the arts, cultural industries, tourism, recreation, sport, heritage, Francophonie and the nonprofit/voluntary sectors.

As the new Minister of Culture, Multiculturalism and Status of Women, I am proud of the meaningful work and accomplishments of the dedicated department staff and stakeholder groups.

Going forward, we will look for more opportunities to recognize Albertans who donate their time and talents to their communities. We will explore steps we can take to support Albertan artists and we will celebrate the diversity that makes Alberta strong and beautiful.

We will continue to work together to celebrate a vibrant and diverse Alberta.

[Original signed by]

Honourable Minister Leela Aheer

Minister of Culture, Multiculturalism and Status of Women

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 5. 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 2018.

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 Status of Women the 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 within the ministry.

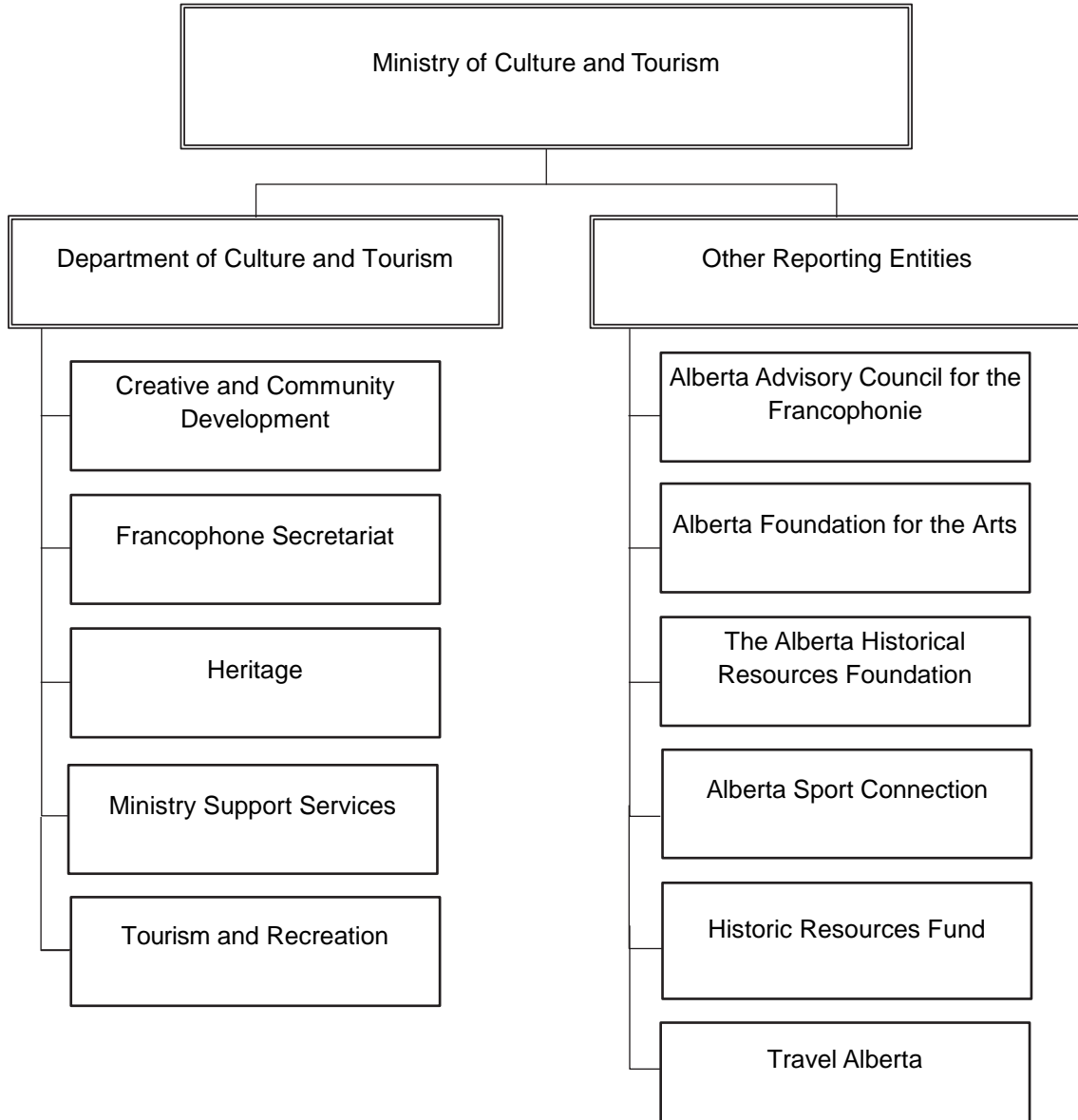
[Original signed by]

Lora Pillipow
Deputy Minister of Culture, Multiculturalism and Status of Women

June 4, 2019

Results Analysis

Ministry Overview



The following description of the ministry's structure as of March 31, 2019 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 delivers programs and services that assist the non-profit/voluntary sector, cultural industries and the arts. It manages community grant programs, as well as the Northern and Southern Jubilee Auditoria, Alberta Film and the Alberta Film Classification Office. The division also works to facilitate major cultural and sporting events in the community.

2. Francophone Secretariat

The Francophone Secretariat supports the delivery of government services in French by acting as a liaison between the Alberta government and Alberta's French-speaking community. It coordinates the ongoing implementation of the cross-ministry French Policy.

3. Heritage

The Heritage Division preserves, protects and presents Alberta's natural and cultural history. The division manages and operates a network of 20 provincial heritage facilities including archives, historic sites and interpretive centres. It administers the *Historical Resources Act*, which empowers the province and municipalities to protect highly significant historic places through special designation. It also provides support to the Alberta Historical Resources Fund.

4. Ministry Support Services

Ministry Support Services includes the Minister's Office, Deputy Minister's Office, and Policy and Strategic Corporate Services Division. Policy and Strategic Corporate Services leads ministry financial planning, forecasting and financial reporting. It also manages ministry policy development, business planning and performance measurement, coordination of involvement in federal-provincial/territorial activities and the department's legislation.

Communications support is provided to the ministry through Communications and Public Engagement. Human resources oversees employee attraction and retention, occupational health and safety, learning and development, workplace wellness and recognition, and is provided through the Public Service Commission. Both communications and human resource services are administered through Treasury Board and Finance.

5. Tourism and Recreation

The division collaborates with stakeholders to create new and expanded tourism attractions, destinations and experiences. The division works in close partnership with Travel Alberta and provides strategic research and intelligence to support stakeholders and Travel Alberta.

The division also supports active living initiatives and works with Alberta Sport Connection and partners in the recreation, physical activity and sport sectors to develop policy and standards. It facilitates a

coordinated recreation and physical activity system, and engages in the planning and evaluation of quality program initiatives.

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 on the ongoing implementation and evaluation of the government's French Policy.

2. Alberta Foundation for the Arts

The foundation supports the economic and social wellbeing of Albertans through development and promotion of the arts in the province. The foundation also collects and safeguards visual art of artistic and historical significance by Alberta artists.

3. The Alberta Historical Resources Foundation

The Alberta Historical Resources Foundation provides grant assistance for community-based heritage initiatives. These include conservation of historical buildings, as well as the development of interpretive markers, publications and education projects.

4. Alberta Sport Connection

The Alberta Sport Connection is dedicated to enhancing the quality of life of Albertans through sport. ASC supports sport development, enhances athletic excellence and provides leadership for multi-sport Games. 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 Alberta government. It is the steward for the Alberta tourism brand and manages national and international tourism marketing programs, services and activities. Travel Alberta also provides the Alberta tourism industry with the marketing tools, resources and information necessary to affectively market their businesses, leverage strategic marketing partnerships and drive a return on their marketing investment.

Discussion and Analysis of Results

Outcome One

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

To encourage and promote vibrant, active and engaged communities, the ministry works to provide a range of supports through grant programs and training to community organizations, networks, and government entities. Through the Alberta Foundation for the Arts, the ministry supports the efforts of artists and arts organizations so they may continue to contribute socially and economically to the province. Alberta Sport Connection focuses on creating a more active Alberta by assisting partners in recreation, physical activity, and organized sport sectors, in planning and evaluating programs, research and policy initiatives.

Key Strategies

1.1 Work with government partners to:

- finalize the development of the Royal Alberta Museum, and expand the Royal Tyrrell Museum of Palaeontology and Reynolds-Alberta Museum; and
- address recommendations in the Truth and Reconciliation Commission Report and the United Nations Declaration on the Rights of Indigenous Peoples.

The Royal Alberta Museum opened on October 3, 2018 and received glowing accolades, such as the mention in *Condé Nast Traveler* as one of the seven biggest museum openings for fall 2018. During the development of the galleries, the Museum worked with an Indigenous Content Advisory Panel. This

Everything old is new again...

The Royal Tyrrell Museum of Palaeontology's biggest discovery in 2018-19 was actually a rediscovery. The skeleton of a well-known armoured dinosaur, the *Euoplocephalus*, was collected by the American Museum of Natural History in 1913 from a quarry. This skeleton was one of the most well-preserved of the species; however, the quarry where it was found was abandoned in 1913 before the entire animal was excavated. This past year, a field team from the Royal Tyrrell rediscovered the remainder of the skeleton still in the ground.

partnership will continue as the museum creates new exhibits, pursues new research and develops school and public programs.

The Royal Tyrrell Museum of Palaeontology expansion is nearing completion and the remaining construction is expected to be finished in early spring 2019. The expansion will permanently increase the museum's capacity to deliver educational programming and enhance visitor programs and services.

The capital investment of \$39.5 million for a new collections facility at Reynolds-Alberta Museum continued to progress in the past year. Working with Alberta Infrastructure on all construction requirements, this investment will provide for the proper care, protection, growth and public access to the Crown's collections at this museum.

The ministry continued repatriation of sacred ceremonial objects to Blackfoot First Nations, and

Record Setting Visits

Family Day 2019 saw over 19,000 visitors attend the new Royal Alberta Museum. This was the museum's busiest day in 45 years, surpassing the previous record from July 1974. As of March 31, 2019, total visitors to the RAM have surpassed 218,000.

expanded the government's capacity for repatriation to other First Nation communities of origin. This work focuses on addressing historical Indigenous burial sites and human remains, and related archival records. In addition to this, the ministry initiated an engagement strategy with Indigenous communities on the appropriate management of Indigenous human remains discovered on the landscape or potentially threatened by resource development. To date, the ministry has confirmed locations of twenty five residential school sites and cemeteries where residential school children were buried. Each location has been added to the provincial Listing of Historic Resources.

The ministry continues to identify and collect copies of archival records relevant to the history and legacy of the residential school system. The Provincial Archives of Alberta has made records available to researchers and other research centres, including the National Centre for Truth and Reconciliation, and has conducted outreach activities to build relationships and provide access to the communities and people who have a connection to them.

1.2 Provide support for artists and arts organizations to promote access, excellence and sustainability for the arts in Alberta.

Music in Alberta

Alberta celebrated its first Music Week in July 2018, recognizing the accomplishments of Alberta's musicians, producers and performers. Highlights included music festivals held around the province such as Calgary's McDougall Centre Summer Concert Series, Edmonton's Interstellar Rodeo and Cold Lake's Full Throttle Festival.

The continued focus for 2018-19 was in support of arts that encourage excellence, provide public access, build capacity, and strive for sustainability.

The Alberta Foundation for the Arts provided over \$27 million in grant funding. It also launched two new grant programs aimed at assisting artists performing outside of the province, allowing them to expand their work to new audiences, as well as fostering participation and development of Indigenous art.

Alberta Culture Days is an annual three-day event held at the end of September, and offers greater opportunity

for Albertans to discover, experience and celebrate arts and culture through local events. The ministry provided funding to 80 recipients to support 471 events held throughout Alberta. The ministry also provided funding to support the 2018 Grey Cup Festival in Edmonton, and hosted Alberta House, with programming that included Alberta artists and performers representing an array of disciplines.

In November 2018, Alberta proclaimed that January 2019 would be the first annual Month of the Artist. The proclamation promotes appreciation, understanding and acknowledgment of the important role art and artists play, and the essential contributions they make to our social, cultural, and economic wellbeing. During this time, the ministry launched the Artist in Residence Program; a Resident artist will work with communities throughout the year to promote the importance of art, and act as an advocate for artists rights. The first recipient was Lauren Crazybull, a Blackfoot Dene visual artist.

1.3 Assist non-profit organizations with enhancing their human and financial capacity.

A strong non-profit/voluntary sector is vital to enriching the lives of Albertans and addressing our communities' most complex problems. In 2018-19, the ministry delivered 453 projects and 639 workshops to 8,070 Albertans to support the sector.

Non-profit Contribution to the Economy

According to March 2019 data released by Statistics Canada, the Non-profit sector contributes \$21.7 Billion in GDP to Alberta's economy. This is larger than the technology, retail and education sectors. The contribution that volunteers make to Alberta's economy adds another \$5.6 billion to the overall total.

The Community Facility Enhancement Program (CFEP), Community Initiatives Program (CIP), Major Fairs Program, and Anti-Racism Community Grant Program empowering community organizations to identify and address local needs through a diverse range of projects. In 2018-19, the ministry invested \$37.4 million to support 462 projects through CFEP and \$25 million to support over 800 projects through CIP.

The Enhanced Capacity Advancement Program (ECAP) provides funding for up to three years to capacity building non-profit organizations so they can improve their internal work and effectively strengthen the broader sector. In June 2018, the first ECAP Forum

was held creating a space for recipient organizations to collaborate and share key learnings, strategies and challenges.

1.4 Collaborate with government and francophone stakeholders to implement Alberta's French Policy.

The Alberta Advisory Council on the Francophonie (AACF) works to advise the minister on the ongoing implementation and evaluation of the French Policy. The AACF had five meetings in 2018-19, during which the council took stock of the government's efforts to date and developed its own 2019-22 Strategic Work Plan. This plan includes priority themes such as the francophone education continuum, health, and settlement and employment services. The French Policy implementation is supported by ongoing liaison with francophone stakeholders and a cross-ministry Assistant Deputy Minister Committee.

In 2018-19, \$1.2 million helped support the planning and delivery of French-language services, including awarding \$115,000 in community grants to organizations for initiatives aimed at contributing to the well-being of French-speaking Albertans.

1.5 Work with sector partners to:

- develop and integrate the Pan-Canadian Common Vision for Physical Activity and Reducing Sedentary Behaviour;
- develop initiatives for the Alberta Sport Plan and implement revised funding models to support recreation, active living and sport organizations;
- increase sport participation, development and excellence in collaboration with the Canadian Olympic and Paralympic Committees; and
- build and maintain corporate sponsorships for Alberta Sport Connection programs and multi-sport events, including the 2019 Canada Winter Games.

On May 31, 2018, Alberta co-chaired the meeting of the Federal, Provincial and Territorial (FPT) Ministers responsible for sport, physical activity and recreation. Ministers endorsed the pan-Canadian Common Vision for Increasing Physical Activity and Reducing Sedentary Living in Canada: Let's Get Moving policy framework.

Recreation and Physical Activity in Alberta

In 2018-19, support to provincial recreation and active living organizations offered significant value to our citizens' quality of life by supporting recreation and physical activity across Alberta for approximately 228,000 members, approximately 23,000 volunteers, and more than 1,100,000 program participants throughout Alberta.

In February 2019, the ministry hosted the FPT ministers in central Alberta. The Ministers endorsed the Red Deer Declaration for the Prevention of Harassment, Abuse and Discrimination in Sport. The ministers also endorsed a vision for all women and girls to be equally represented and recognized across all aspects of Canadian sport, with an end goal of parity by December 2024.

The Alberta Sport Connection and the Canadian Olympic (COC) and Paralympic (CPOC) Committees continued to encourage collaboration between provincial sport organizations and national sport federations through an annual COC gathering in

Calgary. Furthermore, working with the COC, the CPOC and other partners, the Alberta Government committed \$700 million to host the 2026 Olympic Games. In November 2018, a plebiscite held in Calgary led to the City of Calgary cancelling the bid.

The 2018 Alberta Summer Games, for athletes between 11 and 17 years of age, were held in Grande Prairie on July 19-22. Approximately 2,800 participants, their families and spectators attend the Games. The Alberta Games generate approximately \$3 million in economic impact for host communities.

The Canada Games are held every two years, alternating between winter and summer. They are Canada's largest amateur multi-sport event and feature a major arts and cultural festival. The Canada Winter Games were hosted in Red Deer in February, 2019. Over 18 days, the Games hosted 19 sports, more than 150 events, and more than 3,600 athletes and coaches from across Canada. An estimated 20,000 visitors attended the 2019 Canada Winter Games with an estimated economic impact of over \$132 million.

2019 Canada Winter Games

Alberta athletes won a total of 100 medals – 36 gold, 33 silver, and 31 bronze. Team Alberta also won the Canadian Centennial Cup and the Jack Pelech Award for Good Sportsmanship and a Spirit of Fair Play.

Performance Measure and Indicator Methodology

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

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
95.8%	95.2%	95.9%	95.7%	96.0%	96.0%

Description:

This measure indicates the percentage of clients who were able to use and apply the results from the ministry's capacity building facilitation services and workshops.

Results:

The result of 95.99 percent, rounded to 96.0 percent, meets the target of 96.0 percent and is 0.3 percent higher than the 2017-18 result.

Analysis:

In 2018-19, the Community Development Unit regional offices provided a broad range of capacity-building facilitation services and workshops to non-profit/voluntary sector organizations. The ministry continues to see a steady and high demand for facilitation services and training workshops. The ministry's focus on customizing these to meet the needs of the client is the driving factor behind the high results.

This client focus is further supported by the following results from all facilitation, public participation and skill development sessions and workshops: 94.4 percent of clients indicated their knowledge of the subject matter increased; 94.5 percent indicated that they gained insight into the subject matter; and 93.8 percent indicated that they were confident in their ability to apply what they have learned. Overall, 98.1 percent of all clients were satisfied with the services provided by the ministry.

Methodology

The survey data is collected at the close of each service delivery project completed between April 1, 2017 and March 31, 2018.

Results are calculated by dividing the total number of positive responses taken as either of the top two responses from the rating scale by the number of surveys returned that included a response to the performance measure question. Overall satisfaction (positive response) is based on the top two response categories of a six-point scale with the following response categories: very satisfied, satisfied, slightly satisfied, slightly dissatisfied, dissatisfied and very dissatisfied.

Not all surveys that pertain to workshops/sessions held during the fiscal year are received and entered into the Customer Service Information (CSI) system by the internal deadline. For example, surveys for a workshop held on March 31, 2019, may not be entered by April 4, 2019 (internal deadline) for the fiscal year. These surveys would be entered for the fiscal year 2019-20.

2,243 surveys were returned with an overall response rate of 94 percent resulting in a margin of error of +/- 0.5 percent 19 times out of 20.

Source

Client Satisfaction Survey generated by the Customer Service Information (CSI) system.

Performance Measure 1.b: Percentage of adult Albertans who visited a heritage facility in Alberta.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
55.8%	57.4%	45.0%	50.8%	50.7%	50.0%

Description:

This measure identifies how many Albertans visited a heritage facility in Alberta in the past year. The heritage facilities included in this measure are not limited to those operated by the ministry.

Results:

The result of 50.7 percent was 0.7 percent higher than the 2018-19 target of 50.0 percent.

Analysis:

Fewer Albertans indicated they have visited a heritage facility in Alberta compared to previous years. The Royal Alberta Museum's closure in 2016-17 and 2017-18 may have 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 may also have been impacted by the re-ordering of the survey questionnaire in 2016-17, impacting respondents' recall about their attendance. 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.

When previously asked to list the many reasons for visiting a heritage facility, 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 2018-19, attendance at provincially-operated museums, interpretive centers, and historic sites was strong.

Methodology

The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they had visited an Alberta historical resource in the past 12 months. A heritage facility includes facilities operated and/or owned by organizations other than the province, such as other levels of government, non-profit organizations or the private sector. The results 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.

Source

2019 Survey of Albertans on Culture and Tourism.

Performance Measure 1.c: Percentage of adult Albertans who attended arts activities or events.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
80.8%	79.5%	75.9%	76.3%	76.4%	80.0%

Description:

This measure shows the percentage of adult Albertans' who attended arts activities or events.

Results:

The result of 76.4 percent was 3.6 percent lower than the 2018-19 target and 0.1 percent higher than the 2017-18 result.

Analysis:

A slight increase in results from last year demonstrates that in tough economic times many Albertans continue to be supporters of the arts. The results may be attributed in part to the support provided to arts and community organizations' efforts to develop and deliver arts and cultural events. For example, the ministry supports artists and art organizations through the Alberta Foundation of the Arts, with approximately \$27.4 million in grants. In 2018-19, 87.0 percent of this funding was provided to art organizations, and 13.0 percent to individual grants for artists to support their activities.

Alberta Culture Days and other initiatives including Month of the Artist may have contributed to the slight increase over the 2017-18 result; however, the fact that the 2018-19 result is 3.6 percent below target may indicate that discretionary spending is still suffering from the economic slowdown.

Methodology

A request for proposal was issued and Leger Marketing Inc. was awarded the contract after a competitive selection process. The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they had attended 6 different categories of events including performing arts events, visual arts events, literary events, community events, artist talks or lectures, and any other arts and culture events. A positive response to any one of those categories was counted as a positive response to the question.

Source

2019 Survey of Albertans on Culture and Tourism.

Performance Measure 1.d: Percentage of Albertans who participate in organized sport.

	Prior Years' Results				Current Result	2018-19 Target
	2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
Adults	Not Available	23.3%	24.7%	24.2%	24.0%	25.0%
Children	Not Available	64.6%	63.8%	59.1%	60.4%	65.0%

Description:

This measure shows the percentage of Albertans (adults and children) who participated in organized sport.

Results:

The result of 24.0 percent for adults and 60.4 percent for children were 1.0 percent and 4.6 percent lower than their respective targets. Adult participation was 0.2 percent lower while child participation was 1.3 percent higher than their 2017-18 results.

Analysis:

Personal lifestyle choices, available leisure time and challenging economic conditions likely were factors in being slightly below the targets. Of the adults that participated in organized sport activities, 22.7 percent played hockey, 16.3 percent played soccer, 11.5 percent played golf, 10.7 percent played basketball and 10.2 percent were involved in curling. Hockey increased by 1.2 percent while soccer saw a decrease of 5.2 percent, golf increased by 0.3 percent, basketball increased by 4.9 percent and curling decreased by 4.7 percent from the previous year. For adults with children that had participated in an organized sport activity, 33.3 percent of children played soccer, 25.4 percent played hockey, 19.9 percent swam, 19.2 percent played basketball and 17.5 percent played baseball. From last year, soccer saw a decrease of 6.4 percent, hockey increased by 4.3 percent, swimming decreased by 2.6 percent, basketball increased by 4.0 percent and baseball increased by 7.2 percent.

Despite the province's challenging economic conditions, membership in Alberta's provincial sport organizations and participation in organized sport appears to be relatively stable. An increase in participation in organized sport is expected as the provincial economy improves.

Methodology

The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they had personally participated in an organized sport activity, which sports they had participated in, if they had a child that participated in an organized sport activity, and which activity that child had participated in. Respondents may have participated in more than one activity.

Source

2019 Survey of Albertans on Culture and Tourism.

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

Prior Years' Results				Current Result
2013 Result	2014 Result	2015 Result	2016 Result	
\$1.47	\$1.55	\$1.61	\$1.44	\$1.57

Description:

The indicator is means of assessing the direct charitable giving of Albertans and their support of the charitable sector in the province through donations made.

Results:

The 2017 result of \$1.57 billion is \$0.13 billion higher than the 2016 result.

Analysis:

In terms of the proportion of tax filers donating in 2017, 19.8 percent of Albertans claimed a donation, just 0.2 percent less than Canada as a whole. While the number of tax filers in Alberta increased in 2017, the actual number donating decreased - a trend observed in all provinces.

In terms of median donations, Alberta ranked first among the provinces donating \$480; meaning half of total donations from individuals in 2017 were above \$480, and half below. The median donation in Canada in 2017 was \$300. By region, donors from the Lacombe area had the highest percentage of tax filers in Alberta, at 23.7 percent, and the highest median donation, at \$1,000.

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.

Methodology

The Statistics Canada charitable donations data are 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.

Source

Statistics Canada table 11-10-0130-01

Performance Indicator 1.b: Percentage of Albertans who agree that overall historic resources are being adequately protected and preserved in Alberta communities.

Prior Years' Results				Current Result
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result	
68.4%	66.5%	64.7%	66.6%	68.8%

Description:

This indicator assesses how well Albertans perceive the province's historical resources are being preserved and protected.

Results:

The result of 68.8 percent is 2.2 percent higher than the 2017-18 result. Results over the last five years have been consistent, fluctuating between 68.8 percent in 2018-19 and 64.7 percent 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. The opening of the new Royal Alberta Museum, as well as other publicized events and activities, may contribute to highlighting the work underway to protect and preserve historic resources in Alberta. Awareness of protection and preservation activities undertaken in other jurisdictions and in other countries also impacts results. This measure has been relatively consistent since 2014 with a low of 64.7 percent in 2017 and a high of 68.8 percent in 2019.

Methodology

A request for proposal was issued and Leger Marketing Inc. was awarded the contract after a competitive selection process. The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they agreed historical resources in Alberta communities are being adequately protected and preserved. Responses of slightly agree and strongly agree are counted as positive for this indicator.

Source

2019 Survey of Albertans on Culture and Tourism.

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

Prior Years' Results				Current Result
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result	
60.9%	71.4%	70.2%	70.0%	65.0%

Description:

This indicator shows the level of community volunteerism (i.e., an unpaid contribution of time, energy and/or talents) with charitable or non-profit organizations in the past 12 months by adult Albertans.

Results:

The result of 65.0 percent was 5.0 percent lower than the 2017-18 result of 70.0 percent.

Analysis:

In 2018-19, 32.4 percent of respondents reported volunteering in human services (e.g., food bank), 27.3 percent as a board member of a non-profit, 25.4 percent in sport, 24.6 percent in recreation, 24.8 percent in youth development, 21.0 percent in regards to the environment, 15.6 percent in arts and cultural areas, 11.1 percent in law, advocacy or politics, 6.2 percent in libraries, and 25.7 percent in other types of volunteer work (e.g., animal rescue). Results also show that of those Albertans who volunteer, 48.2 percent volunteer six hours or more per month.

The fluctuation of the volunteerism rate is influenced by factors such as the economy, personal income, the labour market, changing demographics and an aging population, focus on the environment and climate change, social democracy (e.g., MeToo movement, diversity and inclusion, truth and reconciliation), the amount of time Albertans have to volunteer and their health. Alberta's volunteerism rate is also influenced by the economy and job market. When asked, of those Albertans who had volunteered, the primary reason was working for a cause they believed in (78.8 percent).

Methodology

A request for proposal was issued and Leger Marketing Inc. was awarded the contract after a competitive selection process. The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they volunteered in nine different types of formal volunteer work. A positive response in any category was counted as a positive response to the question. In addition to the formal categories respondents were also asked if they volunteered informally.

Source

2019 Survey of Albertans on Culture and Tourism.

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.

Prior Years' Results				Current Result
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result	
88.7%	85.3%	80.5%	84.5%	84.1%

Description:

This indicator measures the percentage of adult Albertans who feel arts and culture activities are important in contributing to the overall quality of life in their community.

Results:

The result of 84.1 percent was 0.4 percent lower than the 2017-18 result of 84.5 percent. The difference between the results is not statistically significant.

Analysis:

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

An individual's perception on the contribution arts activities make to their quality of life can be affected by their disposable income as well as availability and awareness of activities in their communities. Despite the province's challenging economic conditions, 76.4 percent of Albertans attended an arts activity or event in 2018-19.

Methodology

A request for proposal was issued and Leger Marketing Inc. was awarded the contract after a competitive selection process. The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they felt arts and culture activities were important in contributing to their quality of life. Somewhat important and Very important were counted as positive responses.

Source

2019 Survey of Albertans on Culture and Tourism.

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

Prior Years' Results				Current Result
2011 Result	2013 Result	2015 Result	2017 Result	
54.3%	59.1%	60.3%	57.3%	63.8%

Description:

This indicator measures the percentage of adult Albertans physically active enough to gain health benefits.

Results:

The 2019 result of 63.8 percent is 6.5 percent higher than the 2017 result of 57.3 percent.

Analysis:

Results have increased by 6.5 percent from 2017. Physical activity levels have increased by over 9 percent from 2011 (54.3 percent) to 2019 (63.8 percent).

In 2019, 94 percent of Albertans were 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 in their ability 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 access and proximity to recreational facilities.

Methodology

The Alberta Centre for Active Living provided questions on physical activity for the 2017 Alberta Survey, conducted by the Population Research Laboratory at the University of Alberta. Questions were asked about physical activity, sedentary behaviour and consumer-based physical activity trackers. The survey had a response rate of 21 percent and a margin of error +/- 2.8 percent 19 times out of 20.

Respondents were asked to consider a seven-day period and identify how many times a week, on average, they participated in strenuous, moderate, and mild activity for more than 15 minutes during their free time. Weekly frequencies were multiplied by an estimated value to determine if the individual had been sufficiently physically active enough to experience health benefits.

Source

2019 Alberta Survey on Physical Activity.

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

Prior Years' Results				Current Result
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result	
93.8%	93.9%	93.2%	93.9%	91.8%

Description:

This indicator measures Albertans' views toward historical resources and relates to the ministry's efforts to promote, preserve and present Alberta's heritage.

Results:

The result of 91.8 percent is 2.1 percent lower than the 2017-18 result of 93.9 percent. It remains consistent with previous results.

Analysis:

The ministry operates a network of museums, historic sites and interpretive centres across Alberta. From Historic Dunvegan near Fairview, to Head-Smashed-In Buffalo Jump UNESCO World Heritage site, these sites work together to illuminate people, places and events that have shaped Alberta today. 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, which assist municipalities and individuals in preservation through grants from the Alberta Historical Resources Foundation. This ensures these resources continue to document Alberta's rich past and continue to play active roles in their communities as attractions and as residential or commercial properties.

Methodology

A request for proposal was issued and Leger Marketing Inc. was awarded the contract after a competitive selection process. The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they felt historical resources in Alberta communities were important to contributing to their quality of life. Somewhat important and Very important were counted as positive responses.

Source

2019 Survey of Albertans on Culture and Tourism.

Performance Indicator 1.g: Percentage of adult Albertans who feel recreation facilities and services are important in contributing to quality of life.

Prior Years' Results				Current Result
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result	
Not available	96.4%	94.8% ¹	95.9%	92.6%

¹ The 2018-21 Business Plan identified the 2016-17 result as 95.8 percent. The result was incorrectly stated in the Business Plan.

Description:

This indicator measures the percentage of adult Albertans who agree that recreation facilities and programs are important in contributing to the overall quality of life in their community.

Results:

The result of 92.6 percent was 3.3 percent lower than the 2017-18 result of 95.9 percent.

Analysis:

The ministry works with recreation partners and active living organizations to provide opportunities for all Albertans to access recreation facilities and services. The ministry also supports recreation infrastructure (e.g., trails, recreation centres) that helps provide Albertans with supportive spaces and places where they can enjoy active leisure time.

The ministry also provides project grants that support projects linked to the outcomes of an active Alberta and align to guiding pan-Canadian initiatives that foster cooperation, innovation, and research. Factors influencing this measure include Albertans' awareness of the availability of recreation facilities and services in their community, the economic slowdown and disposable income levels of Albertans, and an individual's perception around quality of life.

Methodology

A request for proposal was issued and Leger Marketing Inc. was awarded the contract after a competitive selection process. The 2019 Survey of Albertans on Culture and Tourism was conducted between January 23, 2019 and February 8, 2019 with a random sample of 800 Albertans selected via random digit dialing. A weighting factor was applied to the data to rectify any imbalances from soft quotas for age, gender and region. The margin of error for this survey is +/- 3.5 percent 19 times out of 20.

Respondents were asked if they felt recreation facilities and services communities were important to contributing to their quality of life. Somewhat important and Very important were counted as positive responses.

Source

2019 Survey of Albertans on Culture and Tourism.

Discussion and Analysis of Results

Outcome Two

Tourism and the creative and cultural industries are strong drivers of Alberta's economic diversification.

The ministry is committed to the expansion of Alberta's tourism sector and to increasing awareness of the economic significance of tourism for the province. Alberta's tourism marketing initiatives are carried out through Travel Alberta, the tourism marketing agency of the province.

Through the Alberta Media Fund, the ministry provides financial incentives to support screen-based production, book and magazine publishing, and sound recordings. This investment creates, sustains and attracts skilled workers, helps diversify the economy, supports our tourism industry, and provides a higher quality of life for Albertans through the creative expression of who we are to the world.

2.1 Update and enhance programs and services that build the capacity of communities, destination-marketing organizations, tourism entrepreneurs and industry partners to support and grow tourism, including Indigenous tourism.

In 2018-19, the Visitor Friendly Program was piloted in four communities across Alberta: Olds, Sundre, Crowsnest Pass, and Sylvan Lake. Twenty-seven businesses participated in the program and explored initiatives to better align their offerings with the needs of visitors.

The Open Farm Days program completed its sixth season of inviting urban Albertans to travel throughout the province and visit ag-tourism experiences. Farm participation increased by 16 percent, visits to farms increased by 17 percent and on-farm sales increased by 30 percent.

A property management system was developed in partnership with the Alberta Hotel and Lodging Association (AHLA) that provides a low-cost solution for Alberta campground operators. It displays their real-time rate and availability information on www.AlbertaCampgroundGuide.ca, and accepts direct online campsite reservations.

The Tourism Entrepreneurship Programs (TEP) offers tools and services to help entrepreneurs start new tourism businesses and help existing tourism businesses innovate, expand or refresh their operations. The program supported efforts to diversify Alberta's tourism industry and increase economic diversification through:

- Tourism Entrepreneurship Start-up Seminars (TESS), a one-day seminar which includes an expert café component of short meetings with tourism specialists in finance, marketing, and labour. TESS has been delivered in 17 communities and reached more than 300 entrepreneurs since launching in February 2018.

Indigenous tourism

As part of the effort to enhance Indigenous tourism in Alberta, the Ministry of Culture and Tourism, along with Travel Alberta and the Ministry of Labour, jointly invested \$315,000 into a grant to help create a new provincial group: Indigenous Tourism Alberta (ITA). ITA encourages and promotes authentic Indigenous tourism in the province to enhance economic viability and support Indigenous peoples in partnerships that help share culture and experiences with a global audience.

- Tourism Industry Business Retention and Expansion (TIBRE), designed to identify retention issues and expansion opportunities for existing tourism businesses within Alberta. TIBRE was successfully piloted with Drumheller in 2018, and will be delivered in the Crowsnest Pass in 2019.
- ATB BoostR Stage, a rewards-based crowdfunding campaign and live stage event created to help Alberta tourism businesses raise capital, test tourism business concepts, and gain exposure and market insights from the crowd.
- The Tourism Experience Economy Workshop, developed in partnership with the United Kingdom's Department for International Trade. The full-day strategic planning workshop is comprised of five sessions on the Vision XS models, with the intention to helping Alberta develop unique and exciting attractions.

Tourism Growth Innovation Fund

Launched in April 2018, the Tourism Growth Innovation Fund (TGIF) successfully completed two intakes in 2018-19. The program is an ongoing project-based grant fund for the purposes of supporting the economic growth of Alberta's tourism industry. Through the fund, the ministry supported 25 tourism-related projects by non-profit organizations and communities across the province with over \$975,000 in financial support.

The ministry facilitated the Alberta tourism industry's participation in the Capital Investment Tax Credit (CITC) and Alberta Investor Tax Credit (AITC) programs offered through Alberta Economic Development and Trade. In the first three intake rounds, tourism applicants have received conditional tax credit approval of \$6.2 million for projects that have a combined value of \$80.0 million.

The department continued to support Indigenous tourism through close collaboration with the Indigenous Tourism Association of Canada and Indigenous Tourism Alberta. The ministry also worked very closely with Métis Crossing in their development of the Métis Crossing Cultural Gathering Centre.

The department engaged in international outreach and participated in incoming visits (in/from Asia, Europe, UK and the Americas) in support of investment attraction in Alberta's tourism industry. Greenfield and equity investment were promoted to foreign companies and entrepreneurs seeking investment opportunities in Alberta.

2.2 In collaboration with Environment and Parks, develop enhanced policies and processes to facilitate new tourism development within the province.

In 2018-19, a working group was established to explore relevant data and pathways for supporting the growth of nature-based tourism in Alberta. This will inform ongoing work with Environment and Parks with respect to regulatory pathways, investments attraction and the creation of new nature-based tourism experiences within Alberta. Culture and Tourism officials continued to work with Environment and Parks on positioning tourism development on public lands and in Alberta Parks, including identifying suitable land-bases. Through interdepartmental meetings and

Modernizing visitor services

In conjunction with Tourism Week in Canada, 16 grants were awarded to visitor service providers in communities across Alberta as part of the Visitor Services Innovation Fund (VSIF). Since visitor service providers often represent the initial point of contact for travellers in Alberta, they can influence visitors to extend their stays through promotion of attractions and destinations in unique ways. Grant funding was awarded to initiatives such as the implementation of electronic and mobile information kiosks and the weatherproofing of outdoor information kiosks to allow for increased accessibility and convenience.

collaborative projects, impediments to developing tourism on public land were identified. Work to address some of these impediments will be undertaken in 2019-20.

2.3 Develop and implement a tourism strategy for the Castle region to support local job creation and improved recreational opportunities for residents and visitors.

Castle Region Tourism: Strategy for Government of Alberta Support of Tourism Development was released in February 2019. The Strategy creates a foundation for future tourism plans and priorities and enables tourism stakeholders (e.g., municipal governments, tourism organizations, businesses owners, residents) and Indigenous peoples to participate in and benefit from tourism development of the Castle region. Twenty-five actions items were developed under the following five Strategic Priorities:

1. Strengthen Community and Industry Capacity
2. Create a Competitive Business Environment
3. Enhance Destination Development and Marketing
4. Encourage Product Development
5. Grow Indigenous Tourism

2.4 Through traveller-focused digital marketing and experience-driven product creation, grow tourism revenue from high-potential markets and segments in Alberta and internationally.

Tourism and technology

In July 2018, Travel Alberta coordinated the hosting of Go-Pro's first ever Creator Summit in Kananaskis where creators from many of Alberta's top international high profile markets had the chance to experience and create content in the Canadian Rockies and Calgary area. This opportunity highlighted Alberta as an adventure destination.

Travel Alberta's experience development team worked with tourism operators to create new market-ready experiences. These experiences represent every region of the province with emphasis on lesser-travelled destinations, while also supporting regional "need" periods (e.g., winter).

In partnership with the Tourism Division and Environment and Parks, the Waterton-Castle summer campaign was launched to increase awareness of available tourism offerings in the region, primarily among Albertans as well as BC, Saskatchewan and US markets within driving distance. All campaign targets were exceeded including visits and qualified travellers, with most traffic originating from Alberta. Consumer

campaigns in the United States, China, the United Kingdom, Germany, Mexico and Canada were used to create awareness of Alberta as a winter/ski destination and drive winter bookings to the province.

2.5 Support economic diversification, development and retention of a highly skilled cultural industries workforce by supporting the ongoing sustainability of Alberta's cultural industries.

The Alberta Media Fund invested \$48 million through a variety of grant funding programs to support growth and development of Alberta's cultural industries, including the \$45 million Screen-based Production Grant (SPG) Program.

In 2018-19, the SPG provided support to 99 productions filmed in Alberta, ranging from small budget independent features to internationally recognized drama series like Game of Thrones, Wynonna Earp, Heartland and Black Summer. It is estimated that there will be over 4,600 direct, indirect and induced jobs created. The majority of projects were created and produced by Albertans. Ongoing engagement with industry's stakeholders led to improvements to the program throughout 2018-19, including greater incentives to encourage diversity and inclusion in hiring practices and criteria to incentivize the use of Albertan production facilities and filming in rural or economically disadvantaged regions.

Following a successful pilot, the Post-production, Visual Effects and Digital Animation Grant Program (PPG) became permanent in October 2018. The \$1.25 million PPG provides funding to support labour expenses for Alberta organizations involved in the development and delivery of post-production services in Alberta. This includes visual effects and digital animation. To further encourage diversification and development in the cultural industries, the ministry also increased funding to support music and sound recording, as well as Alberta's book and magazine publishers.

The Alberta Media Fund also offers support for the production of Alberta books, magazines and sound recordings. In 2018-19, the Book Publishers Association of Alberta utilized project funding to continue the third phase of E-Audiobook conversion project in partnership with the Canadian National Institution for the blind (CNIB) to have 15 additional Alberta published titles published into digital audio format and offered at no charge to clients of CNIB. The Alberta Music Industry Association utilized project funding to arrange introductions between key Albertan musical artists and practitioners to a handpicked delegation of industry professionals from the UK and Europe. An Alberta publisher utilized funding from the project grant stream to provide educators with access to a series of Alberta published photo-story books that are accessible in terms of language and content as a starting point for refugees who are learning to read.

The first Alberta Book Day was declared on May 15, 2018. It was an incredibly successful day that recognized the importance of Alberta's book publishing industry in preserving and sharing Alberta's culture with the world, as well as contributing to the province's economic growth and diversity.

July 19-26, 2018 marked the first Alberta Music Week, supported by the Government of Alberta, which recognized and celebrated the contributions and accomplishments of Alberta's musicians, producers and performers. The week began with a summer concert series at McDougall Centre in Calgary with other highlights including Interstellar Rodeo in Edmonton, Stampede Summer Jam in Medicine Hat and the Full Throttle Festival in Cold Lake.

Post-production in Alberta

Alberta has about 57 post-production companies (mainly micro – employing one to four people, and small – employing four to 99 people).

The post-production industry includes video and audio editing, subtitling, closed-captioning, described video, the creation and editing of visual and sound effects, soundtrack mixing and digital animation.

Performance Measure and Indicator Methodology

Performance Measure 2.a: Percentage of tourism industry clients satisfied with tourism research, development and visitor services.

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
Not available	79.4%	87.3%	82.2%	Not available	88.0%

Description:

Measures the percentage of public and private sector tourism industry clients who were satisfied with their contact with the Tourism Division. In the 2016-19 business plan, a similar performance measure was presented. That performance measure excluded the visitor services unit in measuring client satisfaction levels and focused on business and development services. The revised measure provides results on a broader scope of the tourism division's services.

Results:

Results for 2018-19 are not available due to the timing of the provincial election. Results for this measure will be reported in an update in fall 2019.

The 2018-19 target of 88.0 percent has been set based on the last actual result and the expectation of improved client satisfaction. The ministry's focus on supporting tourism partners and stakeholders develop, deliver, evaluate and grow authentic tourism experiences should positively impact results. Ministry support provided through the Visitor Services Innovation Fund, Tourism Growth Innovation Fund, and investment services, should also positively impact results.

Methodology

Individuals and representatives of organizations who had been in contact with the division regarding tourism activities and projects in the fiscal year are surveyed by an external research firm. The sample size varies annually.

Due to the election, the division was not able to complete the survey and results of this measure will be published in an update in fall 2019.

Source

Culture and Tourism, 2018-19 Tourism Division Client Satisfaction Survey.

Performance Measure 2.b: Total tourism expenditures in Alberta (\$ billions).

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
7.9*	8.3	8.1**	8.5	Not available	8.6

*The 2014-15 result was revised based on final data from Statistics Canada for the International Travel Survey.

**The 2016-17 result is not directly comparable to previous results due to a change in how expenditures by international visitors were identified.

Description:

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

The 2018-19 target of \$8.6 billion relates to the expected result for 2017, due to Statistics Canada's time lag in producing the results. The growth estimate is based on GDP forecasts for Alberta; forecasts of domestic, US and overseas tourism demand at a national level; forecasts of consumer price changes and preliminary information from Treasury Board and Finance on the tourism levy.

Expenditures by Albertans remain the largest contributor to total tourism expenditures accounting for approximately 58.1 percent of total expenditures or \$4.7 billion in 2015. Expenditures by other Canadians accounted for approximately 19.1 percent of total expenditures or \$1.5 billion. Visitors from the United States and overseas accounted for approximately 22.9 percent of total expenditures, or \$1.9 billion.

The targets for the out-years are based on an estimated growth in tourism expenditures in the 2018 and 2019 calendar years.

Results:

Due to revisions by Statistics Canada, results for 2018-19 will not be available before July 2019. Results will be published in an update fall 2019.

Methodology

A research firm provides the harmonized data for the domestic expenditure data from the Travel Survey of Residents of Canada, while Statistics Canada provides international expenditure data via custom tables requested. After having received the data from both sources, ministry staff aggregate the information and produces the final results of total expenditures.

The target population is the civilian, non-institutionalized population 18 years of age or older in Canada's 10 provinces. Specifically excluded from the survey's coverage are: residents of the Yukon, Northwest Territories, Nunavut, persons living on Indian reserves, full-time members of the Canadian Armed Forces, and persons living in institutions. Together, these groups represent an exclusion of less than 3 percent of the Canadian population aged 18 and older.

For the International Travel Survey, the mail-back questionnaire component targets all Canadian residents who return to Canada and all U.S. and overseas residents entering Canada (except for crews, diplomats and their dependents, refugees, landed immigrants, military and former Canadian residents).

Data quality is systematically evaluated every quarter. Statistical tables required for analysis are produced and compared with related data sources. A set of indicators is also produced. They are used to determine whether general tourism trends reflect those of the Travel Survey of Residents of Canada. Furthermore, Statistics Canada work in close cooperation with provincial tourism departments, which provide additional viewpoints and information sources, helping us evaluate data quality at a more refined geographic level.

Source

Travel Survey of Residents of Canada, Statistics Canada and Alberta Culture and Tourism.

Performance Measure 2.c: Tourism visitation (thousands of person-visits).

Prior Years' Results				Current Result	2018-19 Target
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result		
34,155*	34,684	34,057**	34,772	Not available	34,318

*The 2014-15 result was revised based on final data from Statistics Canada for the International Travel Survey.

**The 2016-17 result is not directly comparable to previous results due to a change in how expenditures by international visitors were identified.

Description:

This measure 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. This measure was previously reported as a performance indicator in the 2017-20 business plan and 2017-18 annual report. As a measure, it shows progress toward the achievement of results that the ministry directly influences. Person-visits for domestic visitors include same-day and overnight, while international visitors include overnight visitors only. Monitoring total person-visits helps the ministry to assess its influence on travel behaviour and the success of domestic and international marketing programs.

Results:

Due to revisions by Statistics Canada, results for 2018-19 will not be available before July 2019. Results will be published in an update fall 2019.

Methodology

A research firm is used to clean and harmonize data from the Travel Survey of Residents of Canada (domestic numbers related to Albertans and the rest of Canada), while data tables for overseas and US person-visits are received directly through custom tables from Statistics Canada. Ministry staff aggregate the information from the separate surveys.

The target population is the civilian, non-institutionalized population 18 years of age or older in Canada's 10 provinces. Specifically excluded from the survey's coverage are: residents of the Yukon, Northwest Territories, Nunavut, persons living on Indian reserves, full-time members of the Canadian Armed Forces, and persons living in institutions. Together, these groups represent an exclusion of less than 3 percent of the Canadian population aged 18 and older.

For the International Travel Survey, the mail-back questionnaire component targets all Canadian residents who return to Canada and all U.S. and overseas residents entering Canada (except for crews, diplomats and their dependents, refugees, landed immigrants, military and former Canadian residents). The Air Exit Survey of Overseas Visitors component targets all overseas travellers returning directly to selected overseas countries. The targeted countries are those from which we attract the most travellers.

Source

Travel Survey of Residents of Canada, Statistics Canada and Alberta Culture and Tourism.

Performance Indicator 2.a: Alberta's tourism levy (\$ millions).

Prior Years' Results				Current Result
2014-15 Result	2015-16 Result	2016-17 Result	2017-18 Result	
\$91.5	\$80.8	\$78.3	\$85.5	Not available

Description:

This indicator helps show achievements of the ministry's desired outcome related to increasing tourism visitation. It indicates activity levels in Alberta's temporary accommodations. It indicates activity levels in Alberta's temporary accommodations. Monitoring the levy provides timely information that helps the ministry assess its influence on travel behaviour and the success of domestic and international marketing programs. The tourism levy provides information on the activity levels by Albertans and other visitors travelling around the province using accommodations like hotels, motels, bed and breakfasts, or similar establishments.

The tourism levy is a 4 percent charge based on the purchase price for accommodation (excluding cost of meals and other services). Pursuant to the *Tourism Levy Act*, the levy includes lodging that is provided for consideration (monetary or non-monetary). Where the purchase price consists of lodging together with meals, transportation or other goods and services, the purchase price is the consideration that is, in Tax and Revenue Administration's opinion, reasonably attributable to the lodging alone.

Results:

The results for 2018-19 have not yet been provided by Treasury Board and Finance. Results will be published in an update fall 2019.

Methodology

The tourism levy is collected at the time of purchase and is derived from administrative data. It is collected and remitted to Tax and Revenue Administration, Treasury Board and Finance, by the providers of temporary accommodation in Alberta.

The tourism levy is collected on all accommodation provided for consideration in a hotel, motel, apartment building, hostel, lodging house, boarding house, bed and breakfast, club or similar establishment in Alberta. The levy applies whenever four or more bedrooms are available for rent separately at the same time at the same location.

Under the Act, the operator must register with Tax and Revenue Administration by completing and submitting the Tourism Levy Registration (form AT4827). Accommodation providers are responsible for collecting at the time the purchase is made and submitting the levy to Tax and Revenue Administration. For operators with 50 or more sleeping rooms, each calendar month; or, for operators with fewer than 50 sleeping rooms, the three-month periods ending: March 31, June 30, September 30 and December 31.

Source

Financial Planning and Budgets, Alberta Treasury Board and Finance.

Performance Indicator 2.b: GDP of Alberta's Cultural Industries (\$ millions).

- Written and published works
- Audio-visual and interactive media

	Prior Years' Results				Current Result 2017
	2013	2014	2015	2016	
Written and published works	925	810	773	716	664
Audio-visual and interactive media	Not available	Not available	2,073	1,937	1,914

Description:

This indicator measures the economic impact of Alberta's cultural industries. Written and published works include books, periodicals, newspapers, and other published works. Audio-visual and interactive media includes film and video, broadcasting and interactive media.

Due to changes in the data from which the above indicator is derived, data for audio-visual and interactive media prior to 2015 is not comparable and, therefore, has not been included. Results for 2015 and 2016 have been restated for written and published works as well as audio-visual and interactive media.

Results:

In 2017, the GDP contribution of cultural industries in Alberta was \$2.6 billion; including \$1.9 billion from audio-visual and interactive media industries, \$660 million from written and published works, and \$27 million from the sound recording industries. All cultural industry sub-domains saw a combined decrease of \$72 million (-2.8 percent) from 2016. The continued decline of written and published works contributed the largest decrease from 2016 of \$51 million (-7.7 percent). The audio visual and interactive media sub-domain decreased by \$23 million (-1.2 percent) from 2016. Sound recording, though not part of this performance indicator, saw modest increase of almost \$3 million (9.7 percent).

Over the last three years, overall results for these three industries decreased from approximately \$2.9 billion in 2015 to \$2.6 billion in 2017. The audio visual and interactive media sub-domain decreased \$159 million (-8.3 percent) from 2015 while the sound recording sub domain grew \$1.8 million (6.3 percent). The continued decline of written and published works contributed the largest decrease from 2016 of \$108 million (-16.3 percent). All cultural industry sub-domains saw a combined decrease of \$265 million (-10.2 percent) from 2015.

Decreases in GDP were seen industry-wide in 2017. Decreases in broadcasting and interactive media represented the most significant increases in the Audio Visual sector.

Decreases in 2017 are slowing from those in 2016. This may indicate a trend towards stabilization and potential growth in future years. This growth may be influenced by the implementation of new programs such as the Screen-based Production Grant and the Interactive Digital Media Tax Credit.

Possible influences on results:

Among the major factors that affected results are the local and international economic conditions, disposable income and the exchange rate of the Canadian dollar. Other factors including the following also contributed to the final outcomes: accessibility of funding through the ministry's grant streams;

competition from other jurisdictions; continued digitization of publications continues to impact viability and growth in the publishing sectors; and level of support and assistance for audio-visual and interactive digital media.

Analysis:

Statistics Canada has enhanced their analysis of the indicators used in the Cultural Satellite Account. As such, all results for this indicator have been restated.

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.

Methodology

The Provincial and Territorial Culture Indicators (PTCI) are timely economic estimates of culture and sport in Canada, and were developed as an extension of the more comprehensive Provincial and Territorial Culture Satellite Account. The PTCI cover culture (including arts and heritage) and sport across Canada in terms of output, nominal gross domestic product (GDP) and jobs for the years 2010 to 2017.

The PTCI are a joint initiative of Statistics Canada, other federal agencies, all provincial and territorial governments, as well as non-governmental organizations.

All of the figures of GDP in this release are expressed in nominal, basic prices. Total economy GDP is calculated using income-based GDP at market prices adjusted for taxes less subsidies on products and imports.

Major enhancements starting in 2015 were made to the film and video subdomain, a component of the audio-visual and interactive media domain this indicator reports on. Due to these enhancements, the audio-visual and interactive media component of this indicator is not comparable to data prior to 2015.

Source

Statistics Canada table 36-10-0452-01.

Financial Information

Table of Contents

Introduction	35
Reporting Entity and Method of Consolidation	36
Ministry Financial Highlights.....	37
Statement of Revenues and Expenses (unaudited)	37
Revenue and Expense Highlights.....	38
Revenues (unaudited).....	39
Expenses – Detailed by Object (unaudited).....	40
Supplemental Financial Information.....	42
Tangible Capital Assets (unaudited)	42
Artworks and Collections (unaudited)	44
Other Financial Information	46
Statement of Credit or Recovery (unaudited)	46
Lapse/ Encumbrance (unaudited).....	47
Financial Statements of Other Reporting Entities	49

Introduction

The annual report of a ministry contains the financial information, including the audited financial statements of other reporting entities within the ministry (i.e. regulated funds, provincial agencies, and crown-controlled corporations), and a comparison of actual performance results to planned results set out in the ministry business plan.

The financial information includes the transactions and affairs of entities making up the ministry including the department, regulated funds, provincial agencies and crown-controlled corporations for which the Minister is responsible.

The ministry annual report also includes other financial information as required by the *Financial Administration Act* (FAA) and the *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report, and financial information relating to trust funds. The model financial information that follows are the reporting practices to be applied to the financial information and other financial information required by legislation sections.

Reporting Entity and Method of Consolidation

The financial information is to be prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the ministry for which the Minister is accountable. The accounts of the ministry are fully consolidated, which includes the department and the entities making up the ministry (i.e. regulated funds, provincial agencies, and crown-controlled corporations), on a line-by-line basis, except for government business enterprises (GBEs).

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, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

GBEs are reported on a modified equity basis, with the equity being computed in accordance with the accounting standards applicable to those entities. Under the modified equity method, the accounting policies of the GBEs are not adjusted to conform to those of the other government organizations. Inter-entity revenue and expense transactions and related asset and liability balances are not eliminated.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

	2019		2018		Change from	
	Budget (Restated)	Actual	Actual (Restated)	Budget	2018 Actual	
<i>(in thousands)</i>						
Revenues						
Government Transfers						
Government of Alberta Grants	\$ 80	\$ 47	\$ 52	\$ (33)	\$ (5)	
Federal Government Grants	1,838	7,196	1,623	5,358	5,573	
Government of Alberta Capital Assets Transfers	-	51,883	-	51,883	51,883	
Premiums, Fees and Licences	8,233	10,915	8,374	2,682	2,541	
Investment income	564	891	615	327	276	
Other Revenue	22,144	18,915	17,815	(3,229)	1,100	
Ministry Total	32,859	89,847	28,479	56,988	61,368	
Inter-Ministry Consolidation Adjustments	(80)	(52,032)	(78)	(51,952)	(51,954)	
Adjusted Ministry Total	32,779	37,815	28,401	5,036	9,414	
Expenses – Directly Incurred						
Programs						
Ministry Support Services	8,883	6,948	6,828	(1,935)	120	
Community and Voluntary Support Services	130,724	142,688	128,230	11,964	14,458	
Creative Industries	100,250	98,177	88,511	(2,073)	9,666	
Francophone Secretariat	2,210	1,215	1,489	(995)	(274)	
Heritage	62,551	57,780	56,464	(4,771)	1,316	
Recreation and Physical Activity	26,715	26,742	26,470	27	272	
Tourism	56,249	56,673	59,072	424	(2,399)	
Ministry Total	387,582	390,223	367,064	2,641	23,159	
Inter-Ministry Consolidation Adjustments	(12,645)	(14,552)	(4,975)	(1,907)	(9,577)	
Adjusted Ministry Total	374,937	375,671	362,089	734	13,582	
Annual (Deficit)	\$ (342,158)	\$ (337,856)	\$ (333,688)	\$ 4,302	\$ (4,168)	

Revenue and Expense Highlights

Ministry revenues totaled \$89.8 million in 2019, which was higher than the restated budget by \$57 million, while the year over year revenue from 2018 to 2019 increased by \$61.4 million. The budget to actual and actual to actual variance was primarily attributed to a \$51.9 million transfer of capital assets from Alberta Infrastructure to the Royal Alberta Museum and a \$6.5 million increase in federal grants under the Investing in Canada Infrastructure Program.

Ministry expenditures were \$390.2 million in 2019, which was higher than the restated budget by \$2.6 million, while the year over year expenditure from 2018 to 2019 increased by \$23.2 million. The budget to actual and actual to actual variances can primarily be attributed to the following:

Community and Voluntary Support Services: The 2019 actual expenditure of \$142.7 million was \$12.0 million higher than budget, which was primarily a result of a special warrant for Supplementary Supply of \$11.9 million approved on March 29, 2019 by Order in Council. The year over year increase of \$14.5 million was primarily due to the following:

Increases in grant expenses:

- o \$10 million – Support for Culture and Tourism Infrastructure Program
- o \$6.5 million – Investing in Canada Infrastructure Program
- o \$4.47 million – Community Initiatives Program
- o \$3.6 million – Community Facility Enhancement Program
- o \$1.6 million – Anti-Racism Community Grant Program; offset by

Reduction in grant expense:

- o \$10.4 million –Other Initiatives Program.

Creative Industries: The 2019 actual expenditure of \$98.2 million was \$2.1 million lower than budget. The variance is primarily due to \$1.2 million in lower expenses for the Jubilee Auditoria due to fewer bookings and lower expenses of \$0.5 million in Creative Industries mostly due to staff vacancies. The year over year increase of \$9.7 million was primarily due to a \$9.3 million transfer from the Historic Resources Fund to Alberta Infrastructure for renovations at the Jubilee Auditoria.

Francophone Secretariat: The 2019 expenditure of \$1.2 million was \$1 million lower than budgeted, which was primarily attributed to lower than anticipated funding from Federal programs. The year over year decrease of \$0.3 million was primarily due to reduced grant expenses.

Heritage Division: The 2019 expenditure of \$57.8 million was \$4.8 million lower than budgeted, which was primarily attributed to lower than budgeted operating expenses at the Royal Alberta Museum. The year over year increase of \$1.3 million in expenditures was primarily attributed to an increase of \$2.1 million in amortization expense of the new galleries at the Royal Alberta Museum, offset by their reduced spending.

Tourism: The 2019 expenditure of \$56.7 million was \$2.4 million lower than 2018, which was primarily attributed to reduced spending of \$5.1 million on global marketing by Travel Alberta, offset by an increase of \$2.5 million in tourism development grants.

Revenues (unaudited)

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Internal Government Transfers	\$ 80	\$ 51,930	\$ 52
Federal Government Grants	1,838	7,196	1,623
Premiums, Fees and Licenses	8,233	10,915	8,374
Investment Income	564	891	615
Other Revenue	22,144	18,915	17,815
Total Revenue	\$ 32,859	\$ 89,847	\$ 28,479

Internal Government Transfers: Included the transfer of \$51.9 million in capital assets for four major galleries at the Royal Alberta Museum.

Federal Government Grants: The 2019 revenue was \$5.4 million higher than budgeted and \$5.5 million higher than in the prior year. Both of these variances can be primarily attributed to an increase in federal funding of \$6.5 million from Investing in Canada Infrastructure Program to provide support for the YWCA Calgary Hub Facility and Jerry Forbes Centre for Community Spirit projects, \$0.3 million for the Alberta Sport Connection, offset by a \$0.9 million reduction to Francophone Secretariat federal funding.

Premiums, Fees and Licenses: Primarily fees for admission to museums and heritage sites, fees for film classification, and charges for conferences and events at various sites. The 2019 revenue of \$10.9 million was \$2.7 million higher than budget and \$2.5 million higher than the 2018 total. Both variances are primarily attributed to \$2.7 million increase in admission fees from our network of 20 museums and historic sites.

Investment Income: Consists of interest earned on cash bank balances from ministry's fund and agencies.

Other Revenue: Includes donations, sales, rental revenues, refund of expenses and other miscellaneous revenues. The 2019 revenue of \$18.9 million was \$3.2 million lower than budget, which was primarily attributed to lower than anticipated Donations and Contributions in Kind. The year over year increase of \$1.1 million was primarily attributed to increases in sales from our network of 20 museums and historic sites, Prior Year Refunds of Expenses, offset by the decrease in Donations and Contributions in Kind.

Expenses – Detailed by Object (unaudited)

	2019		2018
	Budget (Restated)	Actual <i>(in thousands)</i>	Actual (Restated)
Grants	\$ 236,635	\$ 253,272	\$ 227,872
Salaries, Wages & Employee Benefits	73,596	68,581	68,500
Supplies and Services	74,199	62,752	67,806
Amortization of Tangible Capital Assets	2,437	4,430	2,312
Cost of inventory sold	650	722	311
Other	65	466	263
Total Expenses	\$ 387,582	\$ 390,223	\$ 367,064

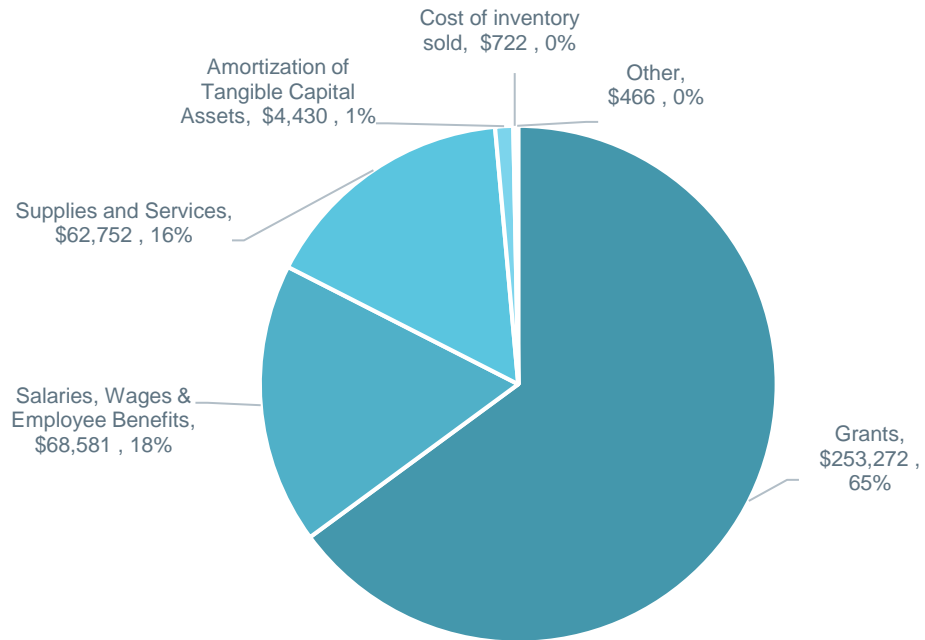
Grants: Represented the ministry's largest expenditure category for a total of \$253.3 million, which represents 65 percent of the total operating expense. The 2019 total expenditure was \$16.6 million higher than budget. This over expenditure was primarily attributed to the approval of a special warrant for Supplementary Supply of \$11.9 million, approved on March 29, 2019 by Order in Council. The year over year increase of \$25.4 million was primarily attributed to an additional \$10 million in capital grant expenditures for the Support for Culture and Tourism Infrastructure Program, \$9.3 million transfer to Alberta Infrastructure from the Historic Resources Fund for renovations at the Jubilee Auditoria, an additional \$6.5 million expenditures in the Investing in Canada Infrastructure Program, an additional \$4.4 million expenses in the Community Initiatives Program, an additional \$3.6 million to the Community Facility Enhancement Program, an additional \$2.5 million to tourism development grants, \$1.6 million expenditures in the new Anti-Racism Community Grant Program, offset by a \$10.4 million reduction to the Other Initiatives Program, a \$0.8 million reduction due to the closure of the Interactive Digital Media Pilot Program, and \$0.4 million reduction to Francophone Secretariat grant programs.

Salaries, Wage and Employee Benefits: The 2019 expenditures total of \$68.6 million was \$5.0 million lower than budget. The variance was primarily attributed to a decrease in permanent staff expenditures due to delays in hiring and a reduction in the employee benefits provision throughout the ministry.

Supplies and Services: The 2019 expenditure total of \$62.7 million was \$11.5 million lower than budget, which was primarily attributed to lower than budgeted expenditures on global marketing by Travel Alberta, materials and supplies within the department and operating expenses at the Royal Alberta Museum. The year over year reduction of \$5.0 million was primarily attributed to reduced spending on global marketing by Travel Alberta.

Amortization: The 2019 actual expenditure of \$4.4 million was \$2.0 million higher than budgeted and \$2.1 million higher than 2018. Both variances can be attributed to an increase in amortization expense of the new galleries at the Royal Alberta Museum.

2019 Expenses by Object (Unaudited)
(in thousands)



Supplemental Financial Information

Tangible Capital Assets (unaudited)

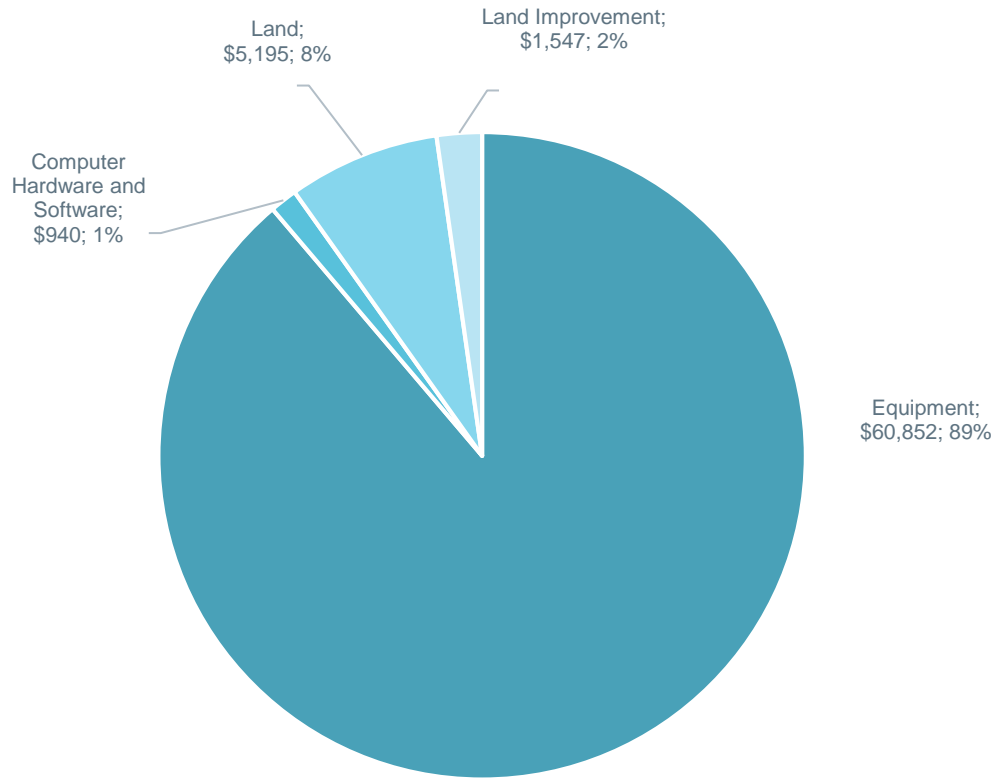
	2019				2018	
	General Capital Assets		Infrastructure Assets		Total	Total
	Equipment ⁽¹⁾	Computer Hardware and Software	Land	Land Improvement		
			<i>(in thousands)</i>			
Estimated Useful Life	3-10 years	5-8 years	Indefinite	40 years		
Historical Cost ⁽²⁾						
Beginning of Year	\$ 30,334	\$ 3,178	\$ 5,195	\$ 2,482	\$ 4,189	\$ 41,594
Additions	2,005	727	-	13	2,745	2,072
Disposals, Including Write-Downs	(985)	(1,312)	-	(30)	(2,327)	(2,479)
Transfers to Others ⁽³⁾	51,859	-	-	-	51,859	2
	<u>\$ 83,213</u>	<u>\$ 2,593</u>	<u>\$ 5,195</u>	<u>\$ 2,465</u>	<u>\$ 93,466</u>	<u>\$ 41,189</u>
Accumulated Amortization						
Beginning of Year	\$ 19,031	\$ 2,728	\$ -	\$ 832	\$ 22,591	\$ 22,665
Amortization Expense	4,231	108	-	91	4,430	2,312
Effect of Disposal	(877)	(1,183)	-	(5)	(2,065)	(2,386)
Transfers to Others	(24)	-	-	-	(24)	-
	<u>\$ 22,361</u>	<u>\$ 1,653</u>	<u>\$ -</u>	<u>\$ 918</u>	<u>\$ 24,932</u>	<u>\$ 22,591</u>
Net Book Value at March 31, 2019	<u>\$ 60,852</u>	<u>\$ 940</u>	<u>\$ 5,195</u>	<u>\$ 1,547</u>	<u>\$ 68,534</u>	
Net Book Value at March 31, 2018	<u>\$ 11,303</u>	<u>\$ 450</u>	<u>\$ 5,195</u>	<u>\$ 1,650</u>		<u>\$ 18,598</u>

⁽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, 2019 totalling \$2,143 (2018 - \$1,910) comprised of: equipment \$1,758 (2018 - \$1,910); and computer hardware and software \$385 (2018 - nil).

⁽³⁾ Transfer of equipment for the Royal Alberta Museum was made from the Ministry of Infrastructure at a net book value of \$51,883 (2018 - nil).

Net book value as of March 31, 2019 (Unaudited)
(in thousands)



Artworks and Collections (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 2,263,000 natural history specimens, 164,700 Indigenous 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 83,290 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 partially developed historic site (Turner Valley Gas Plant, a 12.3 hectare / 30.4 acre site with over 22 historic buildings and structures).
- (e) The Reynolds-Alberta Museum is responsible for approximately 6,600 agricultural, industrial and transportation artifacts. This includes 537 cars, trucks and motorcycles; 360 tractors and engines; 350 agricultural machines and 455 industrial artifacts. Also included are 135 vintage aircraft, the 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 340 carriages, buggies, wagons and sleighs, and approximately 800 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, three developed historic sites, one developed sites leased to a non-government entity, 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 58,680 linear metres of government textual records; 5,390 linear metres of private records; 159,160 maps, plans and drawings; 2,221,550 photographic images; 79,270 objects of audiovisual holdings such as film, video and audio recordings; and 15,090 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 (2018 – 17 prints) of the Waterfowl North America Collection #1250 with an approximate value of \$5,000 (2018 - \$5,000).
 - (n) Government House collection includes 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, 2019, the collection consisted of 655 (2018– 655) pieces of artworks and other items, with an estimated value of \$1,051,680 (2018 – \$1,051,680). There were no purchases donations or dispositions during the year. The collection is insured.

- (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, 2019, the collection consisted of 9,129 (2018 – 9,049) artworks. The Foundation has estimated the value at \$16,635,379 (2018 - \$16,370,749). During the year, the Foundation purchased 58 (2018 – 84) artworks at a cost of \$316,425 (2018 - \$1,250,577). There were 25 (2018 - 42) donations to the collection during the year. These donations were appraised at a value of \$59,105 (2018 - \$56,350). There were three artwork dispositions during the year for \$110,900 (2018 - 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, 2019, the collection consisted of 374 (2018 - 374) artworks with an estimated value of \$15,940 (2018 - \$15,940) and 30 (2018 - 30) antique furnishings with an estimated value of \$12,700 (2018 - \$12,700). During the year, the Foundation did not acquire any historical assets (2018 – Nil). There were no artwork dispositions during the year (2018 – Nil). The collection is insured.

Other Financial Information

Statement of Credit or Recovery (unaudited)

Department of Culture and Tourism

For the year ended March 31, 2019

The following has been prepared to Section 24(3) of the *Financial Administration Act*.

	Authorized ⁽¹⁾	Actual Revenue Recognized ⁽²⁾	Unearned Revenue	Total Revenue Received/ Receivable	(Shortfall)/ Excess ⁽³⁾
	<i>(in thousands)</i>				
Royal Alberta Museum ⁽⁴⁾	\$ 1,460	\$ 1,257	\$ -	\$ -	\$ (203)
Francophone Secretariat ⁽⁵⁾	1,400	-	-	-	(1,400)
Department ⁽⁶⁾	8,000	8,000	-	-	-
	<u>\$ 10,860</u>	<u>\$ 9,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,603)</u>

⁽¹⁾ Treasury Board Minute No.25/2018 approves an increase of \$460 to the recoveries for the Royal Alberta Museum under the Expense vote of Culture and Tourism.

⁽²⁾ Revenues from Credit or Recovery initiatives are included in the ministry's revenues.

⁽³⁾ Shortfall is deducted from current year's authorized budget, as disclosed in Lapse/Encumbrance.

⁽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.

Lapse/Encumbrance (unaudited)

Department of Culture and Tourism
For the year ended March 31, 2019

	Voted Estimates ⁽¹⁾ Restated	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense	<i>(in thousands)</i>					
Ministry Support Services						
1.1 Minister's Office	\$ 775	\$ -	\$ -	\$ 775	\$ 953	\$ (178)
1.2 Deputy Minister's Office	600	-	-	600	546	54
1.3 Corporate Services	7,381	-	-	7,381	5,633	1,748
	8,756	-	--	8,756	7,132	1,624
Community and Voluntary Support Services						
2.1 Program Support	594	-	--	594	659	(65)
2.2 Community Engagement	9,750	50	--	9,800	7,784	2,016
2.3 Community Initiatives Program	25,000	2,000	--	27,000	25,837	1,163
2.4 Other Initiatives	6,000	(1,000)	--	5,000	7,885	(2,885)
2.7 Major Fairs	15,350	-	--	15,350	15,598	(248)
	56,694	1,050	--	57,744	57,763	(19)
Creative Industries						
3.1 Program Support	390	-	--	390	323	67
3.2 Arts	3,750	-	--	3,750	3,302	448
3.3 Culture Industries	2,625	-	--	2,625	2,689	(64)
3.4 Alberta Media Fund	47,965	-	--	47,965	47,835	130
3.5 Assistance to Alberta Foundation for the Arts	31,510	-	--	31,510	31,510	-
	86,240	-	--	86,240	85,659	581
4. Francophone Secretariat	2,210	-	-	2,210	1,182	1,028
Heritage						
5.1 Program Support	1,045	-	-	1,045	937	108
5.2 Royal Alberta Museum	16,890	-	460	17,350	14,590	2,760
5.3 Royal Tyrrell Museum	3,840	-	-	3,840	3,395	445
5.4 Historic Sites and Other Museums	9,575	-	-	9,575	9,497	78
5.5 Provincial Archives of Alberta	3,260	-	-	3,260	3,328	(68)
5.6 Historic Resources Management	5,630	-	-	5,630	5,627	3
5.7 Assistance to the Alberta Historical Resources Foundation	8,150	-	-	8,150	8,150	-
5.8 Heritage Capital and Repairs	-	-	-	-	373	(373)
	48,390	-	460	48,850	45,897	2,953
Recreation and Physical Activity						
6.1 Recreation and Physical Activity Services	5,360	-	-	5,360	5,512	(152)
6.2 Assistance to the Alberta Sport Connection	18,745	-	-	18,745	18,745	-
	24,105	-	-	24,105	24,257	(152)

Lapse/ Encumbrance (continued)

	Voted Estimates ⁽¹⁾ Restated	Supplementary Supply ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Tourism						
7.1 Program Support	\$ 600	\$ -	-	\$ 600	\$ 558	\$ 42
7.2 Destination Development and Visitor Services	6,125	-	-	6,125	7,079	(954)
7.3 Policy and Business Development	4,175	-	-	4,175	3,398	777
7.4 Assistance to Travel Alberta Corporation	44,130	-	-	44,130	44,130	-
	<u>\$ 55,030</u>	<u>-</u>	<u>-</u>	<u>\$ 55,030</u>	<u>\$ 55,165</u>	<u>\$ (135)</u>
Capital Grants						
Community and Voluntary Support Services						
2.6 Community Facility Enhancement Program	\$ 38,000	\$ -	\$ -	\$ 38,000	\$ 37,399	\$ 601
2.7 Support for Culture and Tourism Infrastructure	35,950	3,000	-	35,950	41,025	(2,075)
2.8 Investing in Canada Infrastructure	-	7,830	--	7,830	6,547	1,283
	<u>73,950</u>	<u>10,830</u>	<u>-</u>	<u>84,780</u>	<u>84,971</u>	<u>(191)</u>
Credit or Recovery Shortfall	\$ -	\$ -	\$ (1,603)	\$ (1,603)	\$ -	\$ (1,603)
Total	<u>\$335,375</u>	<u>\$ 11,880</u>	<u>\$ (1,143)</u>	<u>\$ 366,112</u>	<u>\$ 362,026</u>	<u>\$ 4,086</u>
Lapse/Encumbrance						<u>\$ 4,086</u>
Investment						
Heritage						
5.8 Heritage Capital and Repairs	\$ 1,616	\$ -	\$ --	\$ 1,616	\$ 1,523	\$ 93
Total	<u>\$ 1,616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,616</u>	<u>\$ 1,523</u>	<u>\$ 93</u>
Lapse/Encumbrance						<u>\$ 93</u>
Financial Transactions						
Heritage						
5.8 Heritage Capital and Repairs	\$ 909	\$ -	\$ --	\$ 909	\$ 582	\$ 327
Total	<u>\$ 909</u>	<u>\$ -</u>	<u>\$ --</u>	<u>\$ 909</u>	<u>\$ 582</u>	<u>\$ 327</u>
Lapse/Encumbrance						<u>\$ 327</u>

(1) As per "Expense Vote by Program" and "Capital Investment Vote by Program" and "Financial Transactions Vote by Program" pages of 2018-19 Government Estimates.

(2) Per the Special Warrant (No. 001/2019) for Supplementary Supply approved on March 29, 2019 (Order in Council No. 084/2019). This disclosure is made pursuant to section 30 of the Financial Administration Act.

(3) As required by section 26(5) of the Financial Administration Act, the Legislative Assembly will be asked to ratify the interim funding authority provided by the Special Warrant. Adjustments include credit or recovery increases approved by Treasury Board and credit or recovery shortfalls.

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

Financial Statements of Other Reporting Entities

Index of Audited Financial Statements

Alberta Foundation for the Arts	50
The Alberta Historical Resources Foundation	73
Alberta Sport Connection	97
Historic Resources Fund.....	127
Travel Alberta.....	153

Alberta Foundation for the Arts

Financial Statements

March 31, 2019

**Alberta Foundation for the Arts
Financial Statements
March 31, 2019**

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 – 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,
Multiculturalism and Status of Women

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Foundation for the Arts (the Foundation), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2019, 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.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Foundation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General

June 4, 2019
Edmonton, Alberta

**Alberta Foundation for the Arts
Statement of Operations
Year Ended March 31, 2019
(in thousands)**

	2019		2018
	Budget	Actual	Actual
Revenues			
Government Transfers			
Transfers from the Department of Culture and Tourism	\$ 31,510	\$ 31,510	\$ 31,585
Investment Income	84	191	71
Other Revenue	475	155	115
	<u>32,069</u>	<u>31,856</u>	<u>31,771</u>
Expenses (Note 2(b) and Schedules 1 and 3)			
Support to Arts Organizations	21,370	22,639	22,889
Support to Cultural Industries (Note 4)	1,666	1,666	1,666
Support to Individual Artists	4,709	4,614	4,193
Art Collection	3,089	1,755	1,899
Administration	1,243	1,063	1,086
	<u>32,077</u>	<u>31,737</u>	<u>31,733</u>
Annual (Deficit) Surplus	<u>\$ (8)</u>	\$ 119	\$ 38
Accumulated Surplus at Beginning of Year		<u>2,579</u>	<u>2,541</u>
Accumulated Surplus at End of Year		<u>\$ 2,698</u>	<u>\$ 2,579</u>

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

**Alberta Foundation for the Arts
Statement of Financial Position
As of March 31, 2019
(in thousands)**

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 2,996	\$ 3,165
Accounts Receivable (Note 6)	-	1
	2,996	3,166
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	336	633
	336	633
Net Financial Assets	2,660	2,533
Non-Financial Assets		
Tangible Capital Assets (Note 8)	38	46
	38	46
Net Assets	2,698	2,579
Net Assets		
Accumulated Surplus at Beginning of Year	2,579	2,541
Annual Surplus	119	38
Accumulated Surplus at End of Year	\$ 2,698	\$ 2,579

Contractual Obligations (Note 9)

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

Alberta Foundation for the Arts
Statement of Change in Net Financial Assets
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual Surplus	\$ (8)	\$ 119	\$ 38
Amortization of Tangible Capital Assets (Note 8)	8	8	8
Increase in Net Financial Assets in the Year		127	46
Net Financial Assets at Beginning of Year		2,533	2,487
Net Financial Assets at End of Year	<u>\$</u>	<u>\$ 2,660</u>	<u>\$ 2,533</u>

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

**Alberta Foundation for the Arts
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)**

	2019	2018
Operating Transactions		
Annual Surplus	\$ 119	\$ 38
Non-cash Items Included In Annual Surplus		
Amortization of Tangible Capital Assets (Note 8)	8	8
	127	46
Decrease in Accounts Receivable	1	-
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(297)	589
Cash (Applied to) Provided by Operating Transactions	(169)	635
(Decrease) Increase in Cash and Cash Equivalents	(169)	635
Cash and Cash Equivalents at Beginning of Year	3,165	2,530
Cash and Cash Equivalents at End of Year	\$ 2,996	\$ 3,165

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

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2019**

Note 1 Authority and Purpose

The Alberta Foundation for the Arts (the 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 is exempt from income taxes under the *Income Tax Act*.

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 (the Ministry) and for which the Minister of Culture and Tourism (the 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.

Effective April 1, 2019, the government issued a transfer of responsibility regulation where the former Ministry of Culture and Tourism will now be named the Ministry of Culture, Multiculturalism and Status of Women. The Minister is accountable for the Alberta Foundation for the Arts.

(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 governments are referred to as government transfers.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2019**

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 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 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, 2019**

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 of 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, 2019**

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 are present obligations of the Foundation to external organizations and individuals 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 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, 2019**

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 less accumulated amortization, 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, 2019**

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

(c) Change in accounting policy

The Foundation has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of a tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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

Note 4 Support to Cultural Industries

This program was administered by the Department of Culture and Tourism and grant disbursements were approved by the Minister of Culture and Tourism. The Board had no involvement or oversight of this program.

Note 5 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents in the amount of \$2,996 (2018 - \$3,165) 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, 2019, securities held by CCITF had a time-weighted return of 1.8% (2018 – 1.1%) 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, 2019

Note 6 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2019		2018	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ -	\$ -	\$ -	\$ 1

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2019	2018
Accounts Payable	\$ 324	\$ 545
Grant Liabilities	12	88
	\$ 336	\$ 633

Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2019

Note 8 Tangible Capital Assets
(in thousands)

	Equipment ⁽¹⁾	
	2019	2018
Estimated Useful Life – 10 years		
Historical Cost		
Beginning of Year	\$ 320	\$ 320
Additions	-	-
Disposals, including write-downs	(36)	-
	284	320
Accumulated Amortization		
Beginning of Year	274	266
Amortization Expense	8	8
Effect of disposals, including write-downs	(36)	-
	246	274
Net Book Value	\$ 38	\$ 46

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

Note 9 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.

	2019	2018
Grants	\$ 15,195	\$ 19,465
Service Contracts	3,385	4,124
	\$ 18,580	\$ 23,589

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2019**

Note 9 Contractual Obligations (continued)
(in thousands)

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

	Grants	Service Contracts	Total
2019-2020	\$ 12,014	\$ 953	\$ 12,967
2020-2021	3,131	789	3,920
2021-2022	50	810	860
2022-2023	-	833	833
Thereafter	-	-	-
	<u>\$ 15,195</u>	<u>\$ 3,385</u>	<u>\$ 18,580</u>

Note 10 Honoraria
(in thousands)

	2019	2018
Board ^{(1) (2)}		
Chair	\$ 8	\$ 9
Vice Chair	4	3
Other Members ⁽³⁾	41	30
	<u>\$ 53</u>	<u>\$ 42</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, 2019 – nine (2018 – ten).

Note 11 Comparative Figures

Certain 2018 figures have been reclassified to conform to the 2019 presentation.

Note 12 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 – Detailed by Object
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Grants	\$ 26,359	\$ 27,448	\$ 27,271
Supplies and Services from Support Service			
Arrangements with Related Parties ⁽¹⁾	2,427	2,427	2,427
Supplies and Services			
General	3,283	1,345	1,268
Acquisition of Artworks ⁽²⁾	-	397	663
Donations of Artworks	-	59	54
Honoraria (Note 10)	-	53	42
Amortization of Tangible Capital Assets (Note 8)	8	8	8
	<u>\$ 32,077</u>	<u>\$ 31,737</u>	<u>\$ 31,733</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, 2019
(in thousands)

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

The Foundation and its employees 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	
	2019	2018	2019	2018
Revenues				
Transfers from the Department of Culture and Tourism	\$ 31,510	\$ 31,585	\$ -	\$ -
Other Revenue	-	-	-	17
	\$ 31,510	\$ 31,585	\$ -	\$ 17
Expenses Detailed by Object				
Grants	\$ 120	\$ 120	\$ 1,424	\$ 1,566
Other Services	2,427	2,427	68	48
	\$ 2,547	\$ 2,547	\$ 1,492	\$ 1,614
Payable to	\$ -	\$ -	\$ 171	\$ 531
Contractual Obligations	\$ -	\$ -	\$ 87	\$ 122

Alberta Foundation for the Arts
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019
(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	
	2019	2018	2019	2018
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 459	\$ 459
Legal Services	-	-	-	13
	\$ -	\$ -	\$ 459	\$ 471

**Alberta Foundation for the Arts
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2019
(in thousands)**

Program	2019			2018
	Expenses ⁽¹⁾	Expenses – Incurred by Others Accommodation ⁽²⁾	Total Expenses	Total Expenses
Support to Arts Organizations	\$ 22,639	\$ 95	\$ 22,734	\$ 22,984
Support to Cultural Industries	1,666	-	1,666	1,666
Support to Individual Artists	4,614	95	4,709	4,288
Art Collection	1,755	139	1,894	2,045
Administration	1,063	130	1,193	1,222
	<u>\$ 31,737</u>	<u>\$ 459</u>	<u>\$ 32,196</u>	<u>\$ 32,205</u>

- (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.

**Alberta Foundation for the Arts
Schedule to Financial Statements
Artworks and Collections (Unaudited)
Year Ended March 31, 2019**

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, 2019, the collection consisted of 9,129 (2018 – 9,049) artworks. The Foundation has estimated the value at \$16,635,749 (2018 – \$16,370,749). During the year, the Foundation purchased 58 (2018 – 84) artworks at a cost of \$316,425 (2018 – \$1,250,577). There were 25 (2018 – 42) donations to the collection during the year. These donations were appraised at a value of \$59,105 (2018 – \$56,350). There were 3 artwork dispositions during the year for \$110,900 (2018– none). The collection is insured.

The Alberta Historical Resources Foundation

Financial Statements

March 31, 2019

**The Alberta Historical Resources Foundation
Financial Statements
March 31, 2019**

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 – Related Party Transactions

Schedule 3 – Allocated Costs

Schedule 4 – Artworks and Collections (Unaudited)

Independent Auditor's Report

To the Board of Directors of Alberta Historical Resources Foundation and the Minister of Culture, Multiculturalism and Status of Women

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Historical Resources Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2019, 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.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Foundation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General

June 4, 2019
Edmonton, Alberta

The Alberta Historical Resources Foundation
Statement of Operations
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Revenues			
Government Transfers			
Transfers from the Department of Culture and Tourism	\$ 8,150	\$ 10,150	\$ 8,160
Investment Income	56	30	20
Other Revenue	6	8	-
	<u>8,212</u>	<u>10,188</u>	<u>8,180</u>
Expenses (Note 2(b), Schedules 1 and 3)			
Glenbow Museum	3,588	3,588	3,588
Heritage Preservation Partnership Programs	2,195	2,011	3,034
Support for Provincial Heritage Organizations	2,080	2,080	2,086
Heritage Markers Program	104	51	46
Administration	254	373	336
	<u>8,221</u>	<u>8,103</u>	<u>9,090</u>
Annual (Deficit) Surplus	<u>\$ (9)</u>	<u>\$ 2,085</u>	<u>\$ (910)</u>
Accumulated Surplus at Beginning of Year		<u>318</u>	<u>1,228</u>
Accumulated Surplus at End of Year		<u>\$ 2,403</u>	<u>\$ 318</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, 2019
(in thousands)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 2,409	\$ 415
Accounts Receivable (Note 5)	-	268
	2,409	683
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	62	429
	62	429
Net Financial Assets	2,347	254
Non-Financial Assets		
Tangible Capital Assets (Note 7)	56	64
	56	64
Net Assets	2,403	318
Net Assets		
Accumulated Surplus at Beginning of Year (Note 8)	318	1,228
Annual Surplus (Deficit)	2,085	(910)
Accumulated Surplus at End of Year	\$ 2,403	\$ 318

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, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual (Deficit) Surplus	\$ (9)	\$ 2,085	\$ (910)
Amortization of Tangible Capital Assets (Note 7)	9	8	9
Increase (Decrease) in Net Financial Assets in the year		2,093	(901)
Net Financial Assets at Beginning of Year		254	1,155
Net Financial Assets at End of Year	\$	\$ 2,347	\$ 254

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

The Alberta Historical Resources Foundation
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)

	2019	2018
Operating Transactions		
Annual Surplus / (Deficit)	\$ 2,085	\$ (910)
Non-cash Items		
Amortization of Tangible Capital Assets (Note 7)	8	9
	2,093	(901)
Decrease (Increase) in Accounts Receivable	268	(268)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(367)	28
Cash Provided by (Applied to) Operating Transactions	1,994	(1,141)
Increase (Decrease) in Cash and Cash Equivalents	1,994	(1,141)
Cash and Cash Equivalents at Beginning of Year	415	1,556
Cash and Cash Equivalents at End of Year	\$ 2,409	\$ 415

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

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019

Note 1 Authority and Purpose

The Alberta Historical Resources Foundation (the 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 is exempt from income taxes under the *Income Tax Act*.

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 (the Ministry) and for which the Minister of Culture and Tourism (the 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.

Effective April 1, 2019, the government issued a transfer of responsibility regulation where the former Ministry of Culture and Tourism will now be named the Ministry of Culture, Multiculturalism and Status of Women. The Minister is accountable for The Alberta Historical Resources Foundation.

(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 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 these transfers.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019

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, 2019**

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 of 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, 2019**

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 are present obligations of the Corporation 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 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 less accumulated amortization, 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
-----------	----------

**The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019**

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

The Foundation has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019

Note 3 Future Accounting Changes

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
 Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

- **PS 3400 Revenue (effective April 1, 2022)**
 This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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 \$2,409 (2018 - \$415) 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, 2019, securities held by CCITF had a time-weighted return of 1.8% (2018 – 1.1%) 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.

	2019		2018	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ -	\$ -	\$ -	\$ 268

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019

Note 6 Accounts Payable and Accrued Liabilities
(in thousands)

	2019	2018
Trade Accounts Payable	\$ 26	\$ 48
Grant Liabilities	36	381
	\$ 62	\$ 429

Note 7 Tangible Capital Assets
(in thousands)

	Equipment ⁽¹⁾	
	2019	2018
Estimated Useful Life – 10 years		
Historical Cost ⁽¹⁾		
Beginning of Year	\$ 647	\$ 647
Accumulated Amortization		
Beginning of Year	583	574
Amortization Expense	8	9
	591	583
Net Book Value	\$ 56	\$ 64

⁽¹⁾ Equipment includes Heritage Markers.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019

Note 8 Accumulated Surplus
(in thousands)

Accumulated Surplus is comprised of the following:

	2019				2018	
	Internally Restricted - Bob Etherington Heritage Trades Scholarship ⁽¹⁾	Internally Restricted - Peter Goertzen Fund ⁽²⁾	Net Investment in Tangible Capital Assets	Unrestricted	Total	Total
Balance at Beginning of Year	\$ 15	\$ 10	\$ 64	\$ 229	\$ 318	\$ 1,228
Annual Surplus / (Deficit)	-	-	-	2,085	2,085	(910)
Net Investment in Capital Assets	-	-	(8)	8	-	-
Balance at End of Year	\$ 15	\$ 10	\$ 56	\$ 2,322	\$ 2,403	\$ 318

⁽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, 2019

Note 9 Honoraria
(in thousands)

	2019	2018
Board ^{(1) (2)}		
Chair	\$ 9	\$ 5
Other Members ⁽³⁾	38	20
	\$ 47	\$ 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, 2019 – thirteen (2018 – thirteen).

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.

	2019	2018
Grants	\$ 2,553	\$ 1,882
Service Contracts	7,176	10,764
	\$ 9,729	\$ 12,646

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

	Grant Agreements	Service Contracts	Total
2019-20	\$ 1,404	\$ 3,588	\$ 4,992
2020-21	689	3,588	4,277
2021-22	204	-	204
2022-23	204	-	204
2023-24	26	-	26
Thereafter	26	-	26
	\$ 2,553	\$ 7,176	\$ 9,729

**The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2019**

Note 11 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 – Detailed by Object
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Grants	\$ 3,853	\$ 3,784	\$ 4,813
Supplies and Services	3,701	3,656	3,635
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	608	608	608
Amortization of Tangible Capital Assets (Note 7)	9	8	9
Honoraria (Note 9)	50	47	25
	\$ 8,221	\$ 8,103	\$ 9,090

⁽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, 2019
(in thousands)

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

The Foundation 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 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	
	2019	2018	2019	2018
Revenues				
Transfers from the Department of Culture and Tourism	\$ 10,150	\$ 8,160	\$ -	\$ -
Expenses				
Grants	\$ -	\$ -	\$ 60	\$ 78
Other Services	608	608	7	7
	\$ 608	\$ 608	\$ 67	\$ 85
Payable to	\$ -	\$ -	\$ 11	\$ -
Receivable from	\$ -	\$ -	\$ -	\$ 268
Contractual Obligations	\$ -	\$ -	\$ -	\$ 28

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019
(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	
	2019	2018	2019	2018
Expenses – Incurred by Others				
Other Services	\$ 74	\$ 74	\$ -	\$ -
Accommodation	-	-	21	21
	\$ 74	\$ 74	\$ 21	\$ 21

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2019
(in thousands)

Program	2019			2018	
	Expenses ⁽¹⁾	Expenses – Incurred by Others		Total Expenses	Total Expenses
		Other Services ⁽²⁾	Accommodation ⁽³⁾		
Glenbow Museum	\$ 3,588	\$ -	\$ -	\$ 3,588	\$ 3,588
Heritage Preservation Partnership Programs	2,011	41	12	2,064	3,087
Support for Provincial Heritage Organizations	2,080	11	3	2,094	2,086
Municipal Heritage Programs	-	-	-	-	14
Heritage Markers Program	51	11	3	65	60
Administration	373	11	3	387	350
	<u>\$ 8,103</u>	<u>\$ 74</u>	<u>\$ 21</u>	<u>\$ 8,198</u>	<u>\$ 9,185</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, 2019**

The Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and antique furnishings. At March 31, 2019, the collection consisted of 374 (2018 – 374) artworks with an estimated value of \$15,940 (2018 – \$15,940) and 30 (2018 – 30) antique furnishings with an estimated value of \$12,700 (2018 – \$12,700). During the year, the Foundation did not acquire any historical assets (2018 – Nil). There were no artwork dispositions during the year (2018 – Nil). The collection is insured.

Alberta Sport Connection

Financial Statements

March 31, 2019

**Alberta Sport Connection
Financial Statements
March 31, 2019**

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 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,
Multiculturalism and Status of Women

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Sport Connection, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Alberta Sport Connection as at March 31, 2019, 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.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Alberta Sport Connection in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Alberta Sport Connection's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alberta Sport Connection's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Alberta Sport Connection's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Alberta Sport Connection's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Alberta Sport Connection to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General

June 4, 2019
Edmonton, Alberta

**Alberta Sport Connection
Statement of Operations
Year Ended March 31, 2019
(in thousands)**

	2019		2018
	Budget	Actual	Actual
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 18,745	\$ 18,875	\$ 19,575
Federal and Other Government Grants	438	551	521
Investment Income	45	70	53
Premiums, Fees and Licences	251	224	235
Donations and Other Contributions	1,974	1,515	1,097
Other Revenue	40	32	144
	<u>21,493</u>	<u>21,267</u>	<u>21,625</u>
Expenses (Note 2(b), Schedules 2 and 5)			
Sport Development	12,760	11,771	11,815
High Performance Sport	5,233	5,563	6,672
Alberta Games and Marketing	3,096	3,687	2,812
Parks and Wildlife Ventures	93	39	64
Administration	317	230	228
	<u>21,499</u>	<u>21,290</u>	<u>21,591</u>
Annual (Deficit) / Surplus	<u>\$ (6)</u>	<u>\$ (23)</u>	<u>\$ 34</u>
Accumulated Surplus at Beginning of Year		<u>2,257</u>	<u>2,223</u>
Accumulated Surplus at End of Year		<u>\$ 2,234</u>	<u>\$ 2,257</u>

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

Alberta Sport Connection
Statement of Financial Position
As at March 31, 2019
(in thousands)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 2,808	\$ 3,139
Accounts Receivable (Note 5)	558	600
Inventories for Resale	5	15
	3,371	3,754
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	1,142	1,512
Deferred Contributions (Note 7)	1,189	1,185
	2,331	2,697
Net Financial Assets	1,040	1,057
Non-Financial Assets		
Tangible Capital Assets (Schedule 6)	1,194	1,200
	1,194	1,200
Net Assets	2,234	2,257
Net Assets (Note 9)		
Accumulated Surplus at Beginning of Year	2,257	2,223
Annual (Deficit) / Surplus	(23)	34
Accumulated Surplus at End of Year	\$ 2,234	\$ 2,257

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, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual (Deficit) / Surplus	\$ (6)	\$ (23)	\$ 34
Amortization of Tangible Capital Assets (Schedule 6)	6	6	6
Decrease in Prepaid Expenses	-	-	11
(Decrease) Increase in Net Financial Assets		(17)	51
Net Financial Assets at Beginning of Year		1,057	1,006
Net Financial Assets at End of Year	\$	\$ 1,040	\$ 1,057

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

**Alberta Sport Connection
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)**

	2019	2018
Operating Transactions		
Annual (Deficit) / Surplus	\$ (23)	\$ 34
Non-cash Items Included In Annual (Deficit) Surplus		
Amortization of Tangible Capital Assets (Schedule 6)	6	6
Deferred Contributions Recognized as Revenue (Note 7)	(24)	(62)
	(41)	(22)
Decrease (Increase) in Accounts Receivable	42	(576)
Decrease in Inventories for Resale	10	14
Decrease in Prepaid Expenses	-	11
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(370)	713
Deferred Contributions Received (Note 7)	28	17
Cash (Applied to) Provided by Operating Transactions	(331)	157
(Decrease) Increase in Cash and Cash Equivalents	(331)	157
Cash and Cash Equivalents at Beginning of Year	3,139	2,982
Cash and Cash Equivalents at End of Year	\$ 2,808	\$ 3,139

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

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

Note 1 Authority and Purpose

The Alberta Sport Connection (the 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 is exempt from income taxes under the *Income Tax Act*.

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 (the Ministry) and for which the Minister of Culture and Tourism (the 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.

Effective April 1, 2019, the government issued a transfer of responsibility regulation where the former Ministry of Culture and Tourism will now be named the Ministry of Culture, Multiculturalism and Status of Women. The Minister is accountable for the Alberta Sport Connection.

(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.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government Transfers

Transfers from all 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 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 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.

**Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019**

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

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.

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 of cost or net recoverable value
Inventories for Resale	Lower of cost or net realizable value
Accounts Payable and Accrued Liabilities	Cost

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

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, 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 re-measurement gains and losses and therefore a statement of re-measurement gains and losses has not been presented.

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.

**Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019**

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

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are present obligations of the Corporation 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 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.

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 less accumulated amortization, 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

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

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 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.

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.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

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

(c) Change in accounting policy

The Corporation has prospectively adopted the following standard from April 1 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

Note 3 Future Accounting Changes

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

Note 4 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2019	2018
Unrestricted Cash	\$ 1,130	\$ 1,499
Externally Restricted Cash ⁽¹⁾	1,144	1,108
Internally Restricted Cash ⁽²⁾	90	88
	2,364	2,695
 Endowments (Note 8)	 444	 444
 Total	 \$ 2,808	 \$ 3,139

⁽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, 2019, securities held by CCITF had a time-weighted return of 1.8% (2018 – 1.1 %) 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, 2019

Note 5 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2019		2018			
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value			
Accounts Receivable	\$ 558	\$ -	\$ 558	\$ 600		

Note 6 Accounts Payable and Accrued Liabilities
(in thousands)

	2019	2018
Trade Accounts Payable	\$ 390	\$ 842
Grant Liabilities	104	91
Other	648	579
	\$ 1,142	\$ 1,512

Note 7 Deferred Contributions
(in thousands)

	2019	2018
Deferred Contributions (a)	1,189	1,185
	\$ 1,189	\$ 1,185

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

Note 7 Deferred Contributions (continued)
(in thousands)

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

	2019	2018
Balance, Beginning of Year	\$ 1,185	\$ 1,230
Cash Contributions Received/Receivable During Year	28	17
Less Amounts Recognized as Revenue ⁽¹⁾	(24)	(62)
	\$ 1,189	\$ 1,185

⁽¹⁾ Amounts recognized in revenue include \$6 (2018 - \$6) to match amortization expenses on restricted tangible capital assets.

	2019	2018
Deferred Contributions		
Cash	\$ 1,118	\$ 1,108
Tangible Capital Assets	71	77
	\$ 1,189	\$ 1,185

Note 8 Endowments
(in thousands)

The endowments are as follows:

	2019	2018
Balance at Beginning of Year	\$ 444	\$ 444
Endowment Contributions	-	-
	\$ 444	\$ 444

Endowments consist of externally restricted donations received by the Corporation \$239 (2018 - \$239) and internal allocations by the Corporation's Board of Directors \$205 (2018 - \$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, 2019**

Note 9 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	2019						2018	
	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 at beginning of year	\$ 1,070	\$ 444	\$ 88	\$ 127	\$ 525	\$ 3	\$ 2,257	\$ 2,223
Annual Surplus	(5)	-	2	-	(19)	(1)	(23)	34
Balance at end of year	\$ 1,065	\$ 444	\$ 90	\$ 127	\$ 506	\$ 2	\$ 2,234	\$ 2,257

⁽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, 2019

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.

	2019	2018
Grants	\$ 595	\$ 623
Service Contracts	480	331
	\$ 1,075	\$ 954

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

	Grants	Service Contracts	Total
2019-20	545	423	968
2020-21	50	5	55
2021-22	-	4	4
2022-23	-	3	3
2023-24	-	3	3
Thereafter	-	42	42
	\$ 595	\$ 480	\$ 1,075

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2019

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 \$259 for the year ended March 31, 2019 (2018: \$283). The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2018, the Management Employees Pension Plan reported a surplus of \$670,700 (2017: surplus \$866,006), the Local Authorities Pension Plan reported a surplus of \$3,469,347 (2017: surplus of \$4,835,515), the Public Service Pension Plan reported a surplus of \$519,218 (2017: surplus \$1,275,843) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$70,310 (2017: deficiency \$54,984).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2019, the Bargaining Unit Plan reported a surplus of \$110,320 (2018: surplus of \$111,983) and the Management, Opted Out and Excluded Plan reported a surplus of \$24,642 (2018: surplus \$29,805). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 12 Approval of Financial Statements

The Board approved the financial statements of Alberta Sport Connection.

Schedule 1

Alberta Sport Connection
Schedule to Financial Statements
Revenues
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Government Transfers			
Government of Alberta Grants			
Department of Culture and Tourism	\$ 18,745	\$ 18,755	\$ 19,455
Alberta Foundation for the Arts	-	120	120
	<u>18,745</u>	<u>18,875</u>	<u>19,575</u>
Federal and Other Government Grants	<u>438</u>	<u>551</u>	<u>521</u>
Investment Income	<u>45</u>	<u>70</u>	<u>53</u>
Premiums, Fees and Licences			
Alberta Games Registration Fees	166	114	101
Alberta's Future Leaders Fees	15	15	11
Conference Fees	-	-	39
Other	70	95	84
	<u>251</u>	<u>224</u>	<u>235</u>
Donations and Other Contributions			
Donations	1,010	1,385	974
Sponsorship	964	130	123
	<u>1,974</u>	<u>1,515</u>	<u>1,097</u>
Other Revenue	<u>40</u>	<u>32</u>	<u>144</u>
Total Revenues	<u>\$ 21,493</u>	<u>\$ 21,267</u>	<u>\$ 21,625</u>

Alberta Sport Connection
Schedule to Financial Statements
Expenses – Detailed by Object
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 3,459	\$ 2,985	\$ 3,110
Supplies and Services	2,041	1,693	2,249
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	145	145	145
Grants	15,848	16,449	16,073
Financial Transactions and Other	-	12	8
Amortization of Tangible Capital Assets	6	6	6
	\$ 21,499	\$ 21,290	\$ 21,591

⁽¹⁾ The Corporation receives financial and human resource services from the Department of Culture and Tourism.

Schedule 3

Alberta Sport Connection
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2019
(in thousands)

	2019			2018	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Chair of the Board of Directors ⁽⁴⁾	\$ -	\$ 8	\$ -	\$ 8	\$ 12
Vice-Chair of the Board of Directors ⁽⁴⁾	-	6	-	6	2
Members of the Board of Directors ^{(4),(5)}	-	22	-	22	14
Chief Executive Officer ⁽⁶⁾	161	26	5	192	207
Directors:					
Sport Development	99	-	24	123	97
High Performance Sport Alberta Games and Marketing	109	-	25	134	135
Business Development and Communications ⁽⁷⁾	102	-	28	130	126
	93	15	7	115	117

(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 2019.

(3) Other non-cash benefits include employer'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, 2019 – ten (2018 – nine).

(6) The position receives an additional 16% of base pay in lieu of benefits.

Alberta Sport Connection
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel of the Corporation and their 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.

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	
	2019	2018	2019	2018
Revenues				
Transfers from Department of Culture and Tourism	\$ 18,755	\$ 19,455	\$ -	\$ -
Transfers from Alberta Foundation for the Arts	120	120	-	-
	\$ 18,875	\$ 19,575	\$ -	\$ -
Expenses				
Grants	\$ -	\$ -	\$ 865	\$ 922
Other Services	145	145	54	98
	\$ 145	\$ 145	\$ 919	\$ 1,020
Payable to	\$ -	\$ -	\$ 362	\$ 498
Contractual Obligations	\$ -	\$ -	\$ -	\$ -

Schedule 4
(continued)

Alberta Sport Connection
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019
(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	
	2019	2018	2019	2018
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 273	\$ 263
Legal Services	-	-	5	12
Business Services	325	-	-	-
Other Services	-	-	100	100
	\$ 325	\$ -	\$ 378	\$ 375

Alberta Sport Connection
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2019
(in thousands)

Program	2019						2018	
	Expenses – Incurred by Others						Total Expenses	Total Expenses
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Business Services ⁽⁴⁾	Other Services ⁽⁵⁾	Total Expenses		
Sport Development	\$ 11,771	\$ 94	\$ -	\$ 112	-	\$ 11,977	\$ 11,955	
High Performance Sport	5,563	77	-	91	-	5,731	6,762	
Alberta Games and Marketing	3,687	102	-	122	-	3,911	2,837	
Parks and Wildlife Ventures	39	-	5	-	100	144	176	
Administration	230	-	-	-	-	230	236	
	<u>\$ 21,290</u>	<u>\$ 273</u>	<u>\$ 5</u>	<u>\$ 325</u>	<u>\$ 100</u>	<u>\$ 21,993</u>	<u>\$ 21,966</u>	

(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).

(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 Environment and Parks provided consulting services.

Alberta Sport Connection
Schedule to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2019
(in thousands)

	2019				2018	
	Land	Buildings	Equipment	Land Improvements	Total	Total
Estimated Useful Life	Indefinite	40 years	10 years	40 years		
Historical Costs						
Beginning of Year	\$ 1,122	\$ 57	\$ 45	\$ 36	\$ 1,260	\$ 1,260
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
	<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	-	18	36	6	60	54
Amortization Expense	-	1	3	2	6	6
Effect of Disposals	-	-	-	-	-	-
	<u>-</u>	<u>19</u>	<u>39</u>	<u>8</u>	<u>66</u>	<u>60</u>
Net Book Value at March 31, 2019	<u>\$ 1,122</u>	<u>\$ 38</u>	<u>\$ 6</u>	<u>\$ 28</u>	<u>\$ 1,194</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>

**Alberta Sport Connection
Schedule to Financial Statements
Artworks
Year Ended March 31, 2019
(Unaudited)**

The Corporation has artwork consisting of 17 prints (2018 – 17 prints) of the Waterfowl North America Collection #1250 with an approximate value of \$5,000 (2018 - \$5,000).

Historic Resources Fund

Financial Statements

March 31, 2019

**Historic Resources Fund
Financial Statements
March 31, 2019**

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 Detailed by Object

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



Independent Auditor's Report

To the Minister of Culture, Multiculturalism and Status of Women

Report on the Financial Statements

Opinion

I have audited the financial statements of Historic Resources Fund (the Fund), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2019, 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.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General

June 4, 2019
Edmonton, Alberta

**Historic Resources Fund
Statement of Operations
Year Ended March 31, 2019
(in thousands)**

	2019		2018
	Budget	Actual	Actual
Revenues (Schedule 1)			
Jubilee Auditoria	\$ 7,372	\$ 7,411	\$ 7,430
Interpretive Programs and Services	5,923	8,610	6,793
Promotion and Presentation	5,129	3,696	2,799
Other Initiatives	880	861	361
Provincial Archives	120	128	128
	<u>19,424</u>	<u>20,706</u>	<u>17,511</u>
Expenses (Note 2(b), Schedules 2 and 4)			
Jubilee Auditoria	17,057	15,863	6,039
Interpretive Programs and Services	5,694	9,448	6,314
Promotion and Presentation	4,891	3,531	1,960
Other Initiatives	1,134	425	545
Provincial Archives	120	127	205
	<u>28,896</u>	<u>29,394</u>	<u>15,063</u>
Annual (Deficit) Surplus	<u>\$ (9,472)</u>	\$ (8,688)	\$ 2,448
Accumulated Surplus at Beginning of Year		<u>19,186</u>	<u>16,738</u>
Accumulated Surplus at End of Year		<u>\$ 10,498</u>	<u>\$ 19,186</u>

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

Historic Resources Fund
Statement of Financial Position
As at March 31, 2019
(in thousands)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 6,550	\$ 15,143
Accounts Receivable (Note 5)	710	893
Inventories for Resale	1,218	883
	8,478	16,919
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	2,108	1,123
Deferred Contributions (Note 8)	1,114	1,036
	3,222	2,159
Net Financial Assets	5,256	14,760
Non-Financial Assets		
Tangible Capital Assets (Note 9)	4,693	4,370
Prepaid Expenses	549	56
	5,242	4,426
Net Assets	10,498	19,186
Net Assets		
Accumulated Surplus at Beginning of Year (Note 10)	19,186	16,738
Annual (Deficit) Surplus	(8,688)	2,448
Accumulated Surplus at End of Year	\$ 10,498	\$ 19,186

Contractual Rights (Note 6)

Contractual Obligations (Note 11)

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

Historic Resources Fund
Statement of Change in Net Financial Assets
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual (Deficit) / Surplus	\$ (9,472)	\$ (8,688)	\$ 2,448
Acquisition of Tangible Capital Assets (Note 9)	(665)	(1,173)	(469)
Amortization of Tangible Capital Assets (Note 9)	792	804	762
Net Loss on Disposal of Tangible Capital Assets		47	-
Proceeds on Sale of Tangible Capital Assets		(1)	-
(Increase) in Prepaid Expenses		(493)	(56)
(Decrease) Increase in Net Financial Assets		(9,504)	2,685
Net Financial Assets at Beginning of Year		14,760	12,075
Net Financial Assets at End of Year	<u>\$</u>	<u>\$ 5,256</u>	<u>\$ 14,760</u>

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

**Historic Resources Fund
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)**

	2019	2018
Operating Transactions		
Annual (Deficit) / Surplus	\$ (8,688)	\$ 2,448
Non-cash Items Included In Annual Surplus		
Amortization of Tangible Capital Assets (Note 9)	804	762
Net Loss on Disposal of Tangible Capital Assets	47	-
Deferred Contributions Recognized as Revenue (Note 8)	(480)	(580)
	(8,317)	2,630
Decrease (Increase) in Accounts Receivable	183	(52)
(Increase) in Inventories for Resale	(335)	(356)
(Increase) in Prepaid Expenses	(493)	(56)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	985	(635)
Contributions Restricted for Operating (Note 8)	558	502
Cash (Applied to) Provided by Operating Transactions	(7,419)	2,033
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 9)	(1,173)	(469)
Proceeds of Sale of Tangible Capital Assets (Note 9)	(1)	-
Cash (Applied to) Capital Transactions	(1,174)	(469)
(Decrease) Increase in Cash and Cash Equivalents	(8,593)	1,564
Cash and Cash Equivalents at Beginning of Year	15,143	13,579
Cash and Cash Equivalents at End of Year	\$ 6,550	\$ 15,143

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2019

Note 1 Authority and Purpose

Historic Resources Fund (the 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 is exempt from income taxes under the *Income Tax Act*.

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 (the Ministry) and for which the Minister of Culture and Tourism (the 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.

Effective April 1, 2019, the government issued a transfer of responsibility regulation where the former Ministry of Culture and Tourism will now be named the Ministry of Culture, Multiculturalism and Status of Women. The Minister is accountable for the Historical Resources Fund.

(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 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 these transfers.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2019**

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

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).

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, 2019**

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 of 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, 2019**

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 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 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 less accumulated amortization, 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, 2019**

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 Expenses

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 standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not impact financial statements.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2019**

Note 3 Future Accounting Changes

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **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.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2019

Note 4 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2019	2018 Restated
Unrestricted Cash	\$ 1,020	\$ 1,958
Externally Restricted Cash ⁽¹⁾	679	702
Internally Restricted Cash ⁽²⁾	4,851	12,483
Total	<u>\$ 6,550</u>	<u>\$ 15,143</u>

(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, 2019, securities held by CCITF had a time-weighted return of 1.8% (2018 – 1.1%) 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.

	2019		2018	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 714	\$ (5)	\$ 709	\$ 799
Other Receivable	1	-	1	94
	<u>\$ 715</u>	<u>\$ (5)</u>	<u>\$ 710</u>	<u>\$ 893</u>

Historic Resources Fund
Notes to the Financial Statements
March 31, 2019

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.

	2019	2018
Contractual Rights from Operating Leases and Contracts	\$ 4,644	\$ 1,458
	\$ 4,644	\$ 1,458

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

	Operating Leases and Contracts
2019-20	\$ 3,410
2020-21	577
2021-22	577
2022-23	73
2023-24	1
Thereafter	6
	\$ 4,644

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2019	2018
Trade Accounts Payable	\$ 1,931	\$ 1,034
Other	177	89
	\$ 2,108	\$ 1,123

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2019**

Note 8 Deferred Contributions
(in thousands)

	2019	2018
Unearned Revenue (a)	\$ 435	\$ 334
Deferred Revenue (b)	679	702
	\$ 1,114	\$ 1,036

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

	2019	2018
Balance, Beginning of Year	\$ 334	\$ 457
Cash Contributions Received/Receivable During Year	558	442
Less Amounts Recognized as Revenue	(457)	(565)
Balance, End of Year	\$ 435	\$ 334

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

	2019	2018
Balance, Beginning of Year	\$ 702	\$ 657
Cash Contributions Received/Receivable During Year	-	60
Less Amounts Recognized as Revenue	(23)	(15)
Balance, End of Year	\$ 679	\$ 702

Historic Resources Fund
Notes to the Financial Statements
March 31, 2019

Note 9 Tangible Capital Assets
(in thousands)

	2019			2018
	Equipment	Computer Hardware and Software	Total	Total
Estimated Useful Life	3 - 20 years	5 years		
Historical Cost ⁽¹⁾				
Beginning of Year	\$ 11,346	\$ 254	\$ 11,600	\$ 12,912
Additions	921	252	1,173	469
Disposals, Including Write-Downs	(324)	-	(324)	(1,781)
	11,943	506	12,449	11,600
Accumulated Amortization				
Beginning of Year	6,976	254	7,230	8,249
Amortization Expense	803	1	804	762
Effect of Disposals, Including Write-Downs	(278)	-	(278)	(1,781)
	7,501	255	7,756	7,230
Net Book Value at March 31, 2019	\$ 4,442	\$ 251	\$ 4,693	
Net Book Value at March 31, 2018	\$ 4,370	\$ -		\$ 4,370

⁽¹⁾ Historical cost includes work-in-progress at March 31, 2019 for equipment totalling \$317 (2018 – \$333) and computer hardware and software totalling \$243 (2018 – NIL).

Historic Resources Fund
Notes to the Financial Statements
March 31, 2019

Note 10 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	2019			2018			
	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	Total
Balance at beginning of year	\$ 159	\$ 12,367	\$ 3,747	\$ 623	\$ 2,290	\$ 19,186	\$ 16,738
Annual (Deficit) Surplus	(39)	(8,450)	-	-	(199)	(8,688)	2,448
Net Investment in Capital Assets	-	697	(697)	1,020	(1,020)	-	-
Balance at end of year	<u>\$ 120</u>	<u>\$ 4,614</u>	<u>\$ 3,050</u>	<u>\$ 1,643</u>	<u>\$ 1,071</u>	<u>\$ 10,498</u>	<u>\$ 19,186</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, 2019

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.

	2019	2018
Service Contracts	\$ 7,224	\$ 6,078

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

	Service Contracts
2019-20	\$ 6,087
2020-21	562
2021-22	450
2022-23	125
2023-24	-
Thereafter	-
	\$ 7,224

Note 12 Comparative Figures

Certain 2018 figures have been reclassified to conform to the 2019 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, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Federal Government Transfers	\$ -	\$ 96	\$ 173
Government Transfers			
Transfers from Travel Alberta Corporation	-	14	1
Investment Income	129	172	163
Premiums, Fees and Licenses			
Admission Fees	6,692	9,272	6,913
Lands and Grazing	-	28	28
	6,692	9,300	6,941
Other Revenue			
Sales	4,861	5,704	4,733
Rental Revenue	4,126	3,743	3,998
Recoveries	3,571	1,421	1,373
Other Grants and Contributions	-	89	73
Donations	45	30	32
Prior Years Refunds of Expenses	-	93	2
Other Miscellaneous Revenue ⁽¹⁾	-	44	22
	12,603	11,124	10,233
Total Revenues	\$ 19,424	\$ 20,706	\$ 17,511

(1) Gains from disposal of tangible capital assets and revenues resulting from transfers of assets or liabilities are included in Other Miscellaneous Revenue.

Schedule 2

Historic Resources Fund
Schedule to Financial Statements
Expenses – Detailed by Object
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Grants	\$ 9,345	\$ 11,345	\$ -
Contracted Services	8,169	8,083	7,568
Supplies and Services from Support			
Service Arrangements with Related Parties ^{(1) (2)}	4,820	4,852	3,485
Materials and Supplies	4,662	2,756	2,324
Cost of inventory sold	650	722	311
Amortization of Tangible Capital Assets (Note 9)	792	804	762
General Office	368	584	452
Travel	88	63	51
Financial Transactions and Other	-	170	90
Hosting	2	15	20
	<u>\$ 28,896</u>	<u>\$ 29,394</u>	<u>\$ 15,063</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, 2019
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Fund.

The Fund 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 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	
	2019	2018	2019	2018
Revenues				
Transfers from Travel Alberta Corporation	\$ 14	\$ 1	\$ -	\$ -
Other Revenue	-	-	2	4
	\$ 14	\$ 1	\$ 2	\$ 4
Expenses				
Grants	\$ 2,000	\$ -	\$ 9,347	\$ -
Other Services	4,820	3,453	94	199
	\$ 6,820	\$ 3,453	\$ 9,441	\$ 199
Receivable from	\$ -	\$ -	\$ 23	\$ 1
Payable to	\$ -	\$ -	\$ 955	\$ 595
Contractual Obligations	\$ -	\$ -	\$ 207	\$ 214
Contractual Rights	\$ -	\$ -	\$ 160	\$ 164

Schedule 3 (continued)

Historic Resources Fund
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019
(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	
	2019	2018	2019	2018
Expenses – Incurred by Others				
Other Services	\$ 497	\$ 508	\$ -	\$ -
Accommodation and Business Services	-	-	195	224
	\$ 497	\$ 508	\$ 195	\$ 224

**Historic Resources Fund
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2019
(in thousands)**

Program	2019			2018	
	Expenses ⁽¹⁾	Other Services ⁽²⁾	Accommodation ⁽³⁾	Total Expenses	Total Expenses
Jubilee Auditoria	\$ 15,863	\$ -	\$ 105	\$ 15,968	\$ 6,147
Interpretive Programs and Services	9,448	347	63	9,858	6,751
Promotion and Presentation	3,531	130	23	3,684	2,095
Other Initiatives	425	16	3	444	583
Provincial Archives	127	4	1	132	219
	<u>\$ 29,394</u>	<u>\$ 497</u>	<u>\$ 195</u>	<u>\$ 30,086</u>	<u>\$ 15,795</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 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.

Travel Alberta

Financial Statements

March 31, 2019

**Travel Alberta
Financial Statements
March 31, 2019**

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 – Salaries and Benefits Disclosure

Schedule 3 – Related Party Transactions

Report on the Financial Statements

Opinion

I have audited the financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2019, 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.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Travel Alberta in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Travel Alberta's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Travel Alberta's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Travel Alberta's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Travel Alberta's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Travel Alberta to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by]

W. Doug Wylie FCPA, FCMA, ICD.D
Auditor General

May 16, 2019
Edmonton, Alberta

Travel Alberta
Statement of Operations
Year Ended March 31, 2019
(in thousands)

	<u>2019</u>		<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues			
Government Transfer			
Government of Alberta Grant	\$ 44,130	\$ 44,130	\$ 48,075
Investment Income	250	410	308
Premiums, Fees and Licences	390	295	245
Sponsorship	-	108	107
Revenue from Partners	450	639	741
	<u>45,220</u>	<u>45,582</u>	<u>49,476</u>
Expenses – (Note 2(b) and Schedules 1)			
Global Marketing	29,640	30,416	35,658
Regional Industry Marketing	9,840	9,933	9,621
Corporate Operations	5,817	5,502	5,192
	<u>45,297</u>	<u>45,851</u>	<u>50,471</u>
Annual Operating Deficit	<u>\$ (77)</u>	\$ (269)	\$ (995)
Accumulated Surplus at beginning of year		<u>6,604</u>	<u>7,599</u>
Accumulated Surplus at end of year		<u>\$ 6,335</u>	<u>\$ 6,604</u>

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

Travel Alberta
Statement of Financial Position
As at March 31, 2019
(in thousands)

	2019	2018
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 15,133	\$ 16,352
Accounts Receivable	44	68
	15,177	16,420
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	8,981	10,082
	8,981	10,082
Net Financial Assets		
	6,196	6,338
Non-Financial Assets		
Tangible Capital Assets (Note 7)	95	163
Prepaid Expenses	44	103
	139	266
Net Assets		
	6,335	6,604
Net Assets		
Accumulated Surplus	\$ 6,335	\$ 6,604

Contractual Obligations (Note 9)

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

Travel Alberta
Statement of Change in Net Financial Assets
Year Ended March 31, 2019
(in thousands)

	2019		2018
	Budget	Actual	Actual
Annual Deficit	\$ (77)	\$ (269)	\$ (995)
Acquisition of Tangible Capital Assets (Note 7)		(9)	(8)
Amortization of Tangible Capital Assets (Note 7)	77	77	76
Decrease/(Increase) in Prepaid Expenses		59	(18)
		\$ (142)	\$ (945)
Decrease in Net Financial Assets			
Net Financial Assets at Beginning of Year		6,338	7,283
Net Financial Assets at End of Year	\$ -	\$ 6,196	\$ 6,338

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

Travel Alberta
Statement of Cash Flows
Year Ended March 31, 2019
(in thousands)

	2019	2018
Operating Transactions		
Annual Deficit	\$ (269)	\$ (995)
Non-cash Items Included in Annual Deficit		
Amortization of Tangible Capital Assets (Note 7)	77	76
	(192)	(919)
Decrease in Accounts Receivable	24	52
Decrease/(Increase) in Prepaid Expenses	59	(18)
Decrease in Accounts Payable and Accrued Liabilities	(1,101)	(8,822)
Cash (Applied to) Operating Transactions	(1,210)	(9,707)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	(9)	(8)
Cash Applied to Capital Transactions	(9)	(8)
Decrease in Cash and Cash Equivalents	(1,219)	(9,715)
Cash and Cash Equivalents at Beginning of Year	16,352	26,067
Cash and Cash Equivalents at End of Year	\$ 15,133	\$ 16,352

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

Travel Alberta
Notes to the Financial Statements
March 31, 2019

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.

(a) Reporting Entity

The reporting entity is Travel Alberta, which is part of the Ministry of Culture and Tourism (the Ministry) and for which the Minister of Culture and Tourism (the 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 levels of governments are referred to as government transfers.

Travel Alberta
Notes to the Financial Statements
March 31, 2019

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 of 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 re-measurement gains and losses; therefore a Statement of Re-measurement Gains and Losses has not been presented.

Travel Alberta
Notes to the Financial Statements
March 31, 2019

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 to external organizations and individuals 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 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, 2019

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 less accumulated amortization, 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 systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Prepaid Expenses

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

Travel Alberta
Notes to the Financial Statements
March 31, 2019

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, 2019.

(c) Change in Accounting Policy

The Corporation has prospectively adopted the following standards from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

Note 3 Future Accounting Changes

The Public Sector Accounting Board has approved the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of a tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from transactions and unilateral transactions.

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

Note 4 Budget
(in thousands)

A preliminary business plan with a budgeted deficit of \$77 was approved by the Board on May 17, 2018 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 \$77 deficit.

Travel Alberta
Notes to the Financial Statements
March 31, 2019

Note 5 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2019	2018
Consolidated Cash Investment Trust Fund Cash	\$ 63	\$ 44
Cash and Cash Equivalents	15,070	16,308
Total	\$ 15,133	\$ 16,352

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. 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, 2019, securities held by CCITF had a time-weighted return of 1.8% (2018 – 1.1%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

The Cash and Cash Equivalents of \$15,133 includes an amount of \$6,240 that is restricted for the Corporation's Sustainability Fund (Note 8).

Note 6 Accounts Payable and Accrued Liabilities
(in thousands)

	2019	2018
Accounts Payable	\$ 4,415	\$ 5,580
Other Liabilities	113	102
Other Accrued Liabilities	4,453	4,400
Total	\$ 8,981	\$ 10,082

Travel Alberta
Notes to the Financial Statements
March 31, 2019

Note 7 Tangible Capital Assets
(in thousands)

	2019			2018	
	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	\$ 83	\$ 865	\$ 857
Additions	-	-	9	9	8
Disposals, Including Write-Downs	(167)	-	-	(167)	-
	208	407	92	707	865
Accumulated Amortization					
Beginning of Year	354	331	17	702	626
Amortization Expense	19	41	17	77	76
Effect of Disposals, Including Write-Downs	(167)	-	-	(167)	-
	206	372	34	612	702
Net Book Value at March 31, 2019	\$ 2	\$ 35	\$ 58	\$ 95	
Net Book Value at March 31, 2018	\$ 21	\$ 76	\$ 66		\$ 163

Travel Alberta
Notes to the Financial Statements
March 31, 2019

Note 8 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	2019				2018
	Investment In Tangible Capital Assets	Sustainability Fund ⁽¹⁾	Unrestricted	Total	Total
Balance at beginning of year	\$ 163	\$ 6,441	\$ -	\$ 6,604	\$ 7,599
Annual Deficit	-	(269)	-	(269)	(995)
Net Investment in Capital Assets	(68)	68	-	-	-
Balance at the end of year	\$ 95	\$ 6,240	\$ -	\$ 6,335	\$ 6,604

⁽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, 2019

Note 9 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.

	<u>2019</u>	<u>2018</u>
Operating Leases	\$ 5,024	\$ 2,015
Grants	91	758
Service Contracts	<u>35,751</u>	<u>18,816</u>
	<u>\$ 40,866</u>	<u>\$ 21,589</u>

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

	<u>Operating Leases</u>	<u>Grants</u>	<u>Service Contracts</u>	<u>Total</u>
2019-20	\$ 1,407	\$ 91	\$ 18,745	\$ 20,243
2020-21	1,393	-	15,665	17,058
2021-22	1,333	-	1,341	2,674
2022-23	891	-	-	891
2023-24	-	-	-	-
Thereafter	-	-	-	-
	<u>\$ 5,024</u>	<u>\$ 91</u>	<u>\$ 35,751</u>	<u>\$ 40,866</u>

Note 10 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 \$1,020 for the year ended March 31, 2019 (2018: \$1,042). 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, 2018 the Management Employees Pension Plan reported a surplus of \$670,700 (2017: surplus \$866,006), the Public Sector Pension Plan reported a surplus of \$519,218 (2017: surplus \$1,275,843) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$70,310 (2017: deficiency \$54,984).

Travel Alberta
Notes to the Financial Statements
March 31, 2019

Note 11 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, 2019, the balance of accounts receivables does not contain amounts that are uncollectible.

Travel Alberta
Notes to the Financial Statements
March 31, 2019

Note 12 Subsequent Events

Effective April 1, 2019, the government issued a transfer of responsibility regulation where the former Ministry of Culture and Tourism will now be named the Ministry of Culture, Multiculturalism and Status of Women which (1) transferred out program 7 Tourism and Travel Alberta to the Ministry of Economic Development Trade and Tourism; (2) transferred from Alberta Education portions of element 1.4, Information and Program Services, of program 1, Ministry Support Services, associated with the Anti-Racism Secretariat; (3) transferred in the former Ministry of Status of Women.

Note 13 Comparative Figures

Certain 2018 figures have been reclassified to conform to the 2019 presentation.

Note 14 Approval of Financial Statements

The Board of Directors approved the financial statements on May 16, 2019.

Travel Alberta
Schedule to Financial Statements
Expenses – Detailed by Object
Year Ended March 31, 2019
(in thousands)

	<u>2019</u>		<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries, Wages and Employee Benefits	\$ 9,770	\$ 8,601	\$ 8,375
Supplies and Services	29,050	31,031	35,571
Grants ⁽¹⁾	6,400	6,137	6,441
Financial Transactions and Other	-	5	8
Amortization of Tangible Capital Assets (Note 7)	77	77	76
Total Expenses	<u>\$ 45,297</u>	<u>\$ 45,851</u>	<u>\$ 50,471</u>

⁽¹⁾ Grants include the Corporation's Co-operative Marketing Investment Program and other grants.

Travel Alberta
Schedule to Financial Statements
Salary and Benefit Disclosure
Year Ended March 31, 2019
(in thousands)

	2019			2018	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total
Chair of the Board of Directors	\$ -	\$ 19	\$ 3	\$ 22	\$ 16
Members of the Board of Directors ⁽⁴⁾	-	52	7	59	43
<u>Executives</u>					
Chief Executive Officer	230	11	63	304	285
Vice President, Business Development	170	-	41	211	215
Vice President, Global Consumer Marketing	170	-	46	216	193
Vice President, Industry Development	170	-	53	223	219
Vice President, Finance and Corporate Administration	160	-	41	201	203
	\$ 900	\$ 82	\$ 254	\$ 1,236	\$ 1,174

⁽¹⁾ Base salary includes regular salary.

⁽²⁾ Other cash benefits include honoraria and vacation payouts. There were no bonuses paid in 2019

⁽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.

Travel Alberta
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2019
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation.

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.

At March 31, 2018 and March 31, 2019, there were 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.

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>2019</u>	<u>2018</u>
Revenues		
Grants	\$ 44,130	\$ 48,075
Other	300	-
	<u>44,430</u>	<u>48,075</u>
Expenses		
Grants	65	-
Other Services	7	16
	<u>\$ 44,358</u>	<u>\$ 48,059</u>
Tangible Capital Assets Transferred In (Out)	<u>\$ -</u>	<u>\$ -</u>
Receivable from/Payable to	<u>\$ 31</u>	<u>\$ (2)</u>
Debt to Related Parties	<u>\$ -</u>	<u>\$ -</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ -</u>

Other Statutory Reports

Table of Contents

Other Statutory Reports 176

Public Interest Disclosure (Whistleblower Protection) Act..... 177

Acts Administered by Culture and Tourism 178

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the Public Interest Disclosure (Whistleblower Protection) Act reads:

32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

(2) The report under subsection (1) must include the following information:

- (a) the number of disclosures received by the designated officer, 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.

(3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

In 2018-19 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.
First Nations Sacred Ceremonial Objects Repatriation Act	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.
<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.”