

Culture and Tourism

Annual Report
2016-17



Note to readers:

Copies of the annual report are available on the Ministry of Culture and Tourism website
www.culturetourism.alberta.ca

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Preface

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

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

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

- **the financial statements of entities making up the ministry including the Department of Culture and Tourism, regulated funds and provincial agencies for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report.**

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2017, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 1, 2017 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

*Honourable Ricardo Miranda
Minister of Culture and Tourism*

Message from the Minister

The Ministry of Culture and Tourism encompasses a wide range of sectors including cultural and creative industries, tourism, recreation and sport, historic sites and museums, heritage, nonprofit and voluntary sector and the Francophone Secretariat. These sectors are economic drivers in Alberta, creating jobs and making life better for Albertans. The ministry continues to have a positive impact on communities across the province by working to enhance and support these areas that help strengthen our province's competitive advantage.

Tourism remains a key economic driver as we worked to build Alberta's reputation as a leading tourism destination. The ministry focused on delivering programs and services that enabled tourism to grow in Alberta communities as well as to help build Alberta's international reputation. In December 2016, I met with Mexican tourism officials and industry stakeholders to ensure additional tourism, cultural and investment opportunities between Alberta and Mexico, and promote new direct flight services between Calgary and Mexico, beginning in summer 2017. Government also made significant investments in tourism infrastructure and facilities by supporting the expansion of the Calgary Zoo, Fort Edmonton Park and the Royal Tyrrell Museum of Palaeontology.

The continued effort on the Trans Canada Trail enables Albertans to get out and enjoy the natural splendours of our province, and supports the tourism sector, historic resources and Indigenous sites. Work included two major bridge installations and major portions of the High Rockies Trail through Kananaskis Country.

Support for Alberta's heritage and history continues to be part of our efforts as we celebrate the stories and contributions of Indigenous peoples, the pioneers and communities that helped shape Alberta. This includes commemorating 125 years of Ukrainian settlement, unveiling a 100 year old diary of Alda Dale Randall, and launching a consultation for the repatriation of sacred ceremonial objects held in crown collections. The construction of the new Royal Alberta Museum was completed in 2016 and exhibit development inside continues until its anticipated opening in early 2018.

Cultural industries continued to play a large part in telling our story, a sector that includes film, television and other-screen based media production, book and magazine publishing and sound recording. This industry continues to shine in creating jobs and is regularly recognized for its continued excellence. Through the Alberta Foundation for the Arts and the Jubilee Auditoria, Culture and Tourism supports artists, encourages participation in the arts and helps facilitate Albertans' capacity to enjoy world-class entertainment and events like Alberta Culture Days.

These all help contribute to the vibrancy and dynamism of our communities, which Culture and Tourism continues to support. Community development facilitators worked with over 555 rural and urban community organizations, municipalities and other ministries on more than 750 projects. The ministry reviewed the Community Grants program to bring greater clarity and transparency to the application and decision making processes. The Francophone Secretariat also led targeted consultations with stakeholders towards developing a first French Policy to help support Alberta's Francophonie through improved services in French.

The scope of the ministry's activities is wide and far-ranging aimed at helping Albertans and visitors enjoy the diverse opportunities available in our province. We look forward to continue building on these achievements in 2017-18.

[Original signed by]

Honourable Ricardo Miranda
Minister of Culture and Tourism

Management's Responsibility for Reporting

The Ministry of Culture and Tourism includes the Department of Culture and Tourism and the other reporting entities listed in the ministry overview chart on page six.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

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

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

- Reliability – Information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's Budget 2016.

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, the Minister of Finance and the Minister of Culture and Tourism information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

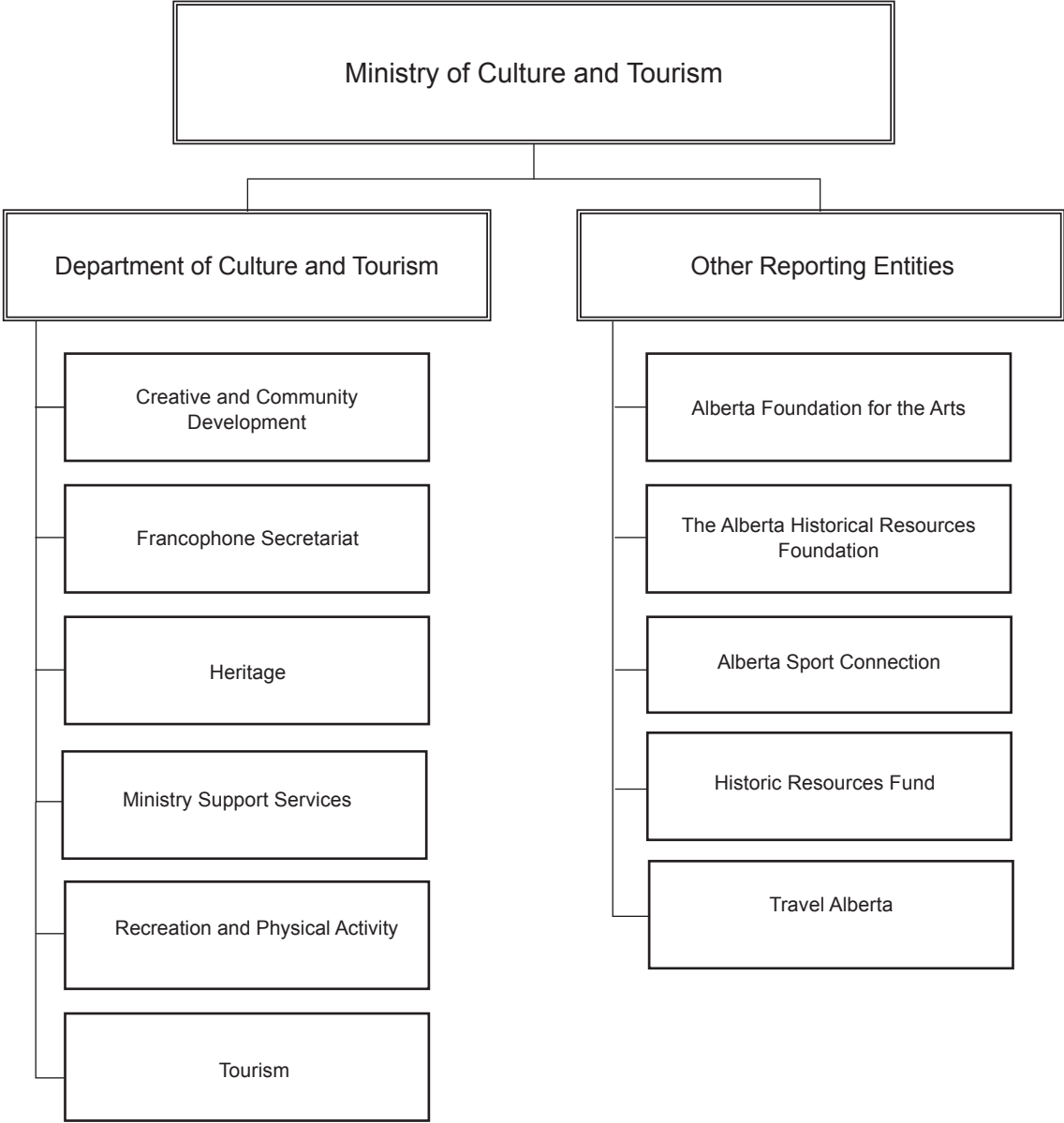
In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Meryl Whittaker
Deputy Minister of Culture and Tourism
June 1, 2017

Results Analysis

Ministry Overview



The following description of the ministry's structure as of March 31, 2017 provides an overview of the range of programs and services available to Albertans.

Department

1. Creative and Community Development

The Creative and Community Development Division works closely with the nonprofit/voluntary sector to ensure it has the capacity to deliver programs and services that are essential to healthy and engaged communities across the province. This includes providing resources, facilitation, consultation and skill development services to communities, networks, organizations, community leaders and government. Community Grants programs such as the Community Facility Enhancement Program and the Community Initiatives Program offer a diverse range of financial supports to meet the needs of non-profit organizations in the delivery of vital programs and services in communities. The division works with communities to facilitate major events during the year including Alberta Culture Days, a three-day celebration of Alberta's cultural diversity; Stars of Alberta, an awards program honouring extraordinary Albertans whose volunteer achievements have contributed to the wellbeing of their community; and training and development for non-profit/voluntary sector staff and volunteers.

The division provides support to the Alberta Foundation for the Arts for grant programs and services dedicated to developing and showcasing the arts. It supports the sustainability and growth of Alberta's cultural industries. This includes financial incentives provided through the Alberta Media Fund to support screen-based production, book and magazine publishing, and sound recording industries. The division also manages the Northern and Southern Alberta Jubilee Auditoria. Alberta Film, the provincial film commission, provides locations and logistics support to productions, and helps attract foreign productions to the province. The division also helps Albertans make informed viewing choices by providing film classification services and licences to commercial film distributors that operate in Alberta.

2. Francophone Secretariat

The Francophone Secretariat supports the delivery of government services in French by acting as a liaison between the Government of Alberta and Alberta's French-speaking community. It disseminates information in French regarding government programs and services and clarifies the needs of French-speaking Albertans across government. Through the Canada-Alberta Agreement on French-Language Services, the secretariat manages federal funding to provincial government entities and community organizations to develop and enhance services in French. The secretariat also coordinates the Government of Alberta's participation in organizations and events such as the annual Ministerial Conference on the Canadian Francophonie.

3. Heritage

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

4. Ministry Support Services

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

5. Recreation and Physical Activity

The Recreation and Physical Activity Division is the steward of active living initiatives and works with partners in the recreation, physical activity and sport sectors to develop policy and standards. The division facilitates a coordinated and integrated recreation and physical activity system and engages in the planning and evaluation of quality program initiatives. Support is provided to inform the development of recreation opportunities throughout the province, including the Trans Canada Trail. The division also manages and leverages government resources to benefit recreation and physical activity initiatives and organizations.

6. Tourism

The Tourism Division grows and diversifies Alberta's economy by collaborating with internal and external stakeholders to create new and expanded tourism attractions, destinations and experiences. The division works in close partnership with Travel Alberta, the tourism marketing agency of the Government of Alberta, to grow the tourism industry, and ensure that tourism is a leading contributor to economic growth and job creation in the province.

The division develops and implements programs to assist regions, municipalities, associations and alliances to develop niche products and experiences, supporting their growth as tourism destinations. It provides business counselling to tourism entrepreneurs and start-up businesses and attracts capital and business investment in the province. In partnership with stakeholders, the division supports the development of new air service to Alberta's network of international and regional airports from key tourism markets, and encourages the federal government to adopt policies that enhance Alberta's air service. The division provides strategic marketing research and intelligence to support stakeholders and Travel Alberta with business planning and decision-making. It develops and implements integrated and coordinated tourism policy that supports the ministry's strategic policy objectives, and contributes to a business and regulatory environment conducive to the expansion of the tourism industry. The division also provides information services to travellers through the 1-800-ALBERTA Contact Centre, provincial visitor information centres and community and regional visitor information centres.

Other Reporting Entities

1. Alberta Foundation for the Arts

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

2. The Alberta Historical Resources Foundation

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

3. Alberta Sport Connection

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

4. 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.

5. Travel Alberta

Travel Alberta is the tourism marketing agency of the Government of Alberta. It is the steward for the Alberta tourism brand and manages regional, national and international tourism marketing programs, services and activities. Travel Alberta drives tourism visitation and revenue by encouraging Albertans to travel throughout the province and attracting new visitors outside our borders with compelling invitations to visit Alberta. Travel Alberta also provides marketing support to Alberta's tourism industry with the tools, resources and information necessary to enhance their marketing activities, drive return on investment and leverage strategic partnerships.

Discussion and Analysis of Results

Summary for 2016-17

The Ministry of Culture and Tourism's 2016-17 spending on programs and services was \$346.3 million, including operating and capital investment spending. It was used to support the sustainability and development of Alberta's cultural industries, tourism, arts, recreation, physical activity and sport, heritage, Francophonie, and the nonprofit and voluntary sector. The ministry positively impacts Albertans' quality of life through the delivery of education programs and special events, and operation of provincial heritage facilities. It helps build resilient communities through supporting nonprofit and voluntary sector organizations and francophone communities, artists and arts organizations, participation and excellence in competitive sport, and promoting active, healthy lifestyles through recreation and physical activity. In 2016-17, these sectors experienced challenges due to economic conditions in the province, as income levels directly impact discretionary spending, including expenditures on cultural goods and services, travel and tourism, recreation and leisure. However, Alberta's economy is set to grow in 2017.

The ministry positively impacts the prosperity of communities across the province and promotes economic diversification in Alberta through the development and marketing of tourism and the cultural industries (i.e., film and television, book and magazine publishing, sound recording, and interactive digital media). The growth of Alberta's tourism sector remains a key contributor to the diversification of Alberta's economy. Opportunities arising from the current economic climate include building on Alberta's reputation as a leading tourism destination to draw visitors to new attractions across the province while growing visitation to destinations and regions during the winter and shoulder seasons. Investment in Alberta's tourism marketing and industry development remains among the highest in the country. Increased air access and visitation opens doors for tourism, business and investment with these related expenditures, thereby strengthening and diversifying the economy.

Alberta's culture sector is also an economic driver that makes vital contributions to the development of communities and contributes to the health of the province. The ministry spent \$77.4 million supporting the arts and cultural industries. Statistics Canada's Culture Satellite Account indicators estimate the gross domestic product (GDP) contribution of culture goods and services across the province was \$5.7 billion in 2014.

Alberta's cultural industries generate significant contribution to the economy. Statistics Canada estimates the GDP

contribution of the audiovisual and interactive media, written and published works, and sound recording industries to Alberta's culture sector was \$2.8 billion in 2014. The ministry focuses on sustaining meaningful jobs and supporting Alberta's creative talent to expand Alberta's footprint in the cultural economy. There is a risk however that the cultural industries' contributions to Alberta's economic diversification may be affected by external factors such as competition from other jurisdictions to attract talent, and economic variables that impact trends in travel and investment. To mitigate this risk, the ministry is working closely with stakeholders to build on Alberta's talents and strengths to further grow and

DID YOU KNOW?

By dedicating the last weekend of September as a celebration of culture, the province encourages Albertans to celebrate what culture means to them. More than 145,800 individuals participated in the annual Culture Days celebration in 2016 with almost 350 events in 87 communities across the province. More than 7,230 visitors also attended events presented by the provincial heritage facilities managed by the ministry.

diversify the economy. In 2016-17, the ministry supported Alberta's screen-based production, book and magazine publishing, sound recording and digital media sectors through the Alberta Media Fund, creating new economic opportunities in the province.

DID YOU KNOW?

According to the 2016 Travel Alberta Client Satisfaction Survey, 87 per cent of Alberta's tourism industry would recommend Travel Alberta's services to other Alberta tourism operators and organizations, and 84 per cent agreed that the Alberta tourism brand (remember to breathe) effectively portrays Alberta as a desirable place to visit.

reputation and ensure accessible travel opportunities for families in Alberta. In 2016-17, \$62.0 million was provided for tourism development and investment attraction, including \$49.5 million to support tourism marketing initiatives through Travel Alberta.

The ministry continues to adapt its tourism industry development and marketing priorities to address key opportunities. This year, the ministry focused on delivering programs and services that enable

DID YOU KNOW?

Banff, Alberta was named to National Geographic Traveller magazine's "Best of the World" list which highlights 21 must-see places to visit in 2017. Banff was the only Canadian destination named to the list and featured on the magazine's cover with a photo of the iconic glacial-fed Moraine Lake situated in the Valley of the Ten Peaks within Banff National Park.

The 21 destinations were chosen by the editors who noted that while 2017 marks Canada's 150th anniversary celebration, it was for the little reasons as much as landmarks and milestones that it was selected. Their story is about how an outward journey to Banff leads to an inner sense of happiness, with the magic coming from person-to-person interactions with big-hearted Canadians, from First Nations community leaders to horse-packing cowboy guides to park rangers to some of the country's newer citizens, who hail from foreign lands but find a happy home in Canada.

Tourism is essential to diversifying the economy as visitor spending is a driver of success in the transportation, retail, accommodation, food and beverage, culture, recreation and entertainment industries. Alberta's reputation as a world-class tourist destination continues to grow. In 2015, there were over 34 million person-visits generating over \$8.1 billion in tourism expenditures. These expenditures contribute to Alberta's GDP across many tourism-related industries. The ministry invests in world-class facilities and infrastructure that will attract more visitors, enhance Alberta's

tourism to grow in Alberta communities. These tools assist both municipalities and tourism operators to develop or enhance tourism in the province. These programs and services included the Tourism Entrepreneurship Program, Visitor Services Innovation Fund, and the Visitor Friendly Program. In addition, Budget 2016 made significant investments in tourism infrastructure and facilities with support to the expansion of the Calgary Zoo, Fort Edmonton Park and the Royal Tyrrell Museum of Palaeontology.

The ministry, through Travel Alberta, executes year-round marketing efforts in target international markets and in Alberta to drive regional visitation and "staycations."

The ministry is collaborating with partners and stakeholders in an effort to grow Alberta's tourism industry, contributing to economic diversification, job creation and quality of life. Mexico City became the latest non-stop connection from Calgary International Airport, with a new service by Aeromexico that began on June 1, 2017. The airline will operate daily flights linking Calgary with Mexico's primary business centre creating opportunities for

companies involved in industries important to both Alberta and Mexico, like the agri-food and energy sectors. The new service also provides more choices for travellers to and from Mexico, and Central and South America. It is estimated the new service will bring additional tourism, travel and other economic benefits to Alberta, creating approximately 300 jobs and adding almost \$27.3 million to Alberta's GDP.

To support development of the Trans Canada Trail, the ministry continues to work with Alberta TrailNet, the Trans Canada Trail organization, other ministries, municipal governments, the nonprofit sector, numerous local volunteer groups, and thousands of volunteers throughout Alberta. This included work to develop conceptual plans, minimize roadway connections, ensure appropriate infrastructure across rivers and creeks, and preserve historical and environmental resources. The Trail provides increased tourism opportunities connecting regional trails such as the Iron Horse Trail to a larger network of communities, historic resources, and indigenous sites located on or near the trail. Some of the highlights in 2016-17 include two major bridge installations and work on major portions of the High Rockies Trail through Kananaskis-Country, which will be completed in the summer of 2017. Other projects with significant progress include the Athabasca Landing Trail (Fort Saskatchewan to Athabasca), and the West Bragg Creek Trail. Work on these connections will help ensure Albertans and visitors of all skills levels can navigate safe and sustainable trails. The ministry also collaborated with community groups to begin construction on sections of the Trail through two Parks and Wildlife Ventures properties, the Graves Wildlife Sanctuary and the MRM Wildlife Habitat.

The ministry manages the Northern and Southern Alberta Jubilee Auditoria that provide Albertans the opportunity to experience world-class entertainment and perform in premier venues, including large theatrical Broadway performances, commercial rock/pop/jazz and country productions, ballets, and operas. The Northern and Southern Alberta Jubilee Auditoria's ranked second and third respectively for top theatres in Canada based on mid-year 2016 tickets sales for commercially recognized tours. World wide, the Northern Alberta Jubilee Auditorium ranked in the top 50 theaters for the first time ever in 2016-17, in 49th position. And the Southern Alberta Jubilee Auditorium ranked 68th position world wide.

The ministry provides funding to artists and arts organizations to encourage the growth and development of the sector in Alberta. In 2016-17, \$22.5 million was provided through the Alberta Foundation for the Arts to support the arts. Grants from the foundation help in many ways. They provide opportunities for public participation in, and enjoyment of, the arts, for artists to develop excellence in artistic practice, and for organizations to increase capacity for arts programming. In addition, the foundation collects visual art of artistic and historical significance by Alberta artists and supports programming to display artwork from the collection in communities throughout the province, nationally and internationally. According to Statistics Canada, in Alberta, the visual and applied arts contributed \$1.2 billion to the culture sector GDP in 2014.

DID YOU KNOW?

Alberta's route of the Trans Canada Trail, i.e., "The Great Trail", comprises 3,002 km of the 23,864 km Trans Canada Trail through four branches that connect Alberta with British Columbia, the Yukon and the North West Territories to the rest of Canada. To date there is 1,884 km of dedicated off-road trail (62.7 per cent) with another 220 km under development, bringing the total to 2,104 km or 70.1 per cent of the Alberta total.

The trail passes through 77 of Alberta's cities, towns and villages, 24 rural municipal districts, eight Aboriginal communities, and involves 11 provincial nonprofit organizations, numerous local volunteer groups, and thousands of volunteers throughout Alberta.

DID YOU KNOW?

The ministry offers a variety of programs and services to assist communities and government to help build on strengths, address issues, and achieve goals.

In 2016-17, community development officers worked with over 555 rural and urban community organizations, municipalities and other ministries on more than 750 projects. Over 880 sessions were held with more than 15,000 participants. This work included assistance with developing strategic plans and fund development, board governance training, facilitation training, community collaboration, and facilitation of public engagement and stakeholder consultations.

The ministry provides grants through the Community Facility Enhancement Program, Community Initiatives Program, Major Fairs Program, and the Other Initiatives Program to empower local citizens and community organizations to work together to respond to local needs. In 2016-17, \$38.0 million was distributed to the Community Facility Enhancement Program, \$24.4 million to the Community Initiatives Program, \$15.3 million to the Major Fairs Program, and \$2.0 million to the Other Initiatives Program. A comprehensive internal review of the Community Grants programs was conducted in 2015-16.

Changes were implemented for the December 15, 2016 intake process to help better meet the needs of the sector and bring greater clarity and transparency to the application and decision-making processes. Two new

grant streams have been established within the Community Facility Enhancement Program to support large capital requests up to \$1 million and smaller funding requests for up to \$125,000. Within the Community Initiatives Program, a new Major Cultural and Sport Events funding stream was established supporting nationally and internationally sanctioned events with significant community benefit, such as a positive impact on local business and aiding in tourism growth. A maximum grant of \$250,000 will be available to eligible applicants. Nonprofits will also continue to have access to a maximum of \$75,000 in funding for smaller, community-based events and activities.

Alberta Film Classification assigns ratings to all of the films shown in public for an admission fee in order to help Albertans make informed decisions about what is appropriate viewing for themselves and their families. Alberta Film Classification operates under the *Film and Video Classification Act* and Regulations of the Province of Alberta. In 2016-17, Alberta Film Classification conducted a pilot project to engage Albertans in discussions about film content and the appropriateness of different types of content for children and youth. Results from the research will be used to guide engagement strategies and guidelines. Alberta Film Classification is also working to update its film ratings web publishing tool and web content.

A Volunteer Screening Program was launched on January 31, 2017, with a heightened focus on implementing more comprehensive screening practices in volunteer engagement programs, in addition to addressing the cost to nonprofit organizations conducting police checks for volunteers working with vulnerable populations. This program is the result of a review undertaken with the input of sector stakeholders and police agencies to determine where improvements could be made. The review found that many nonprofit organizations are relying solely on the police check for their volunteer screening that may alone offer a false sense of security, only identifying individuals charged with an offence. This new program offers education, training, and resources through webinars, forums and workshops to expand on the options available for screening. It is anticipated through this increased focus on education, organizations will begin to develop more robust screening programs; creating safer environments for Albertans.

The ministry facilitated discussions with four First Nation communities on how to address challenges facing youth and those with Fetal Alcohol Spectrum Disorder; led a strategic planning process on rural housing and homelessness; provided support to the Alberta Climate Change Office in the design and facilitation of its public and stakeholder sessions; facilitated 15 sessions with a variety of stakeholders as part of a review of the Workers' Compensation Board; and, facilitated member engagement sessions for libraries and economic development coalitions in the province.

The ministry's Board Development Program delivers board governance training and resources for the boards of nonprofit/voluntary sector organizations across the province, using well trained volunteer instructors. More than 70 workshops were delivered to almost 1,000 participants between April 1, 2016, and March 31, 2017.

Alberta's Francophone Secretariat works with other departments to respond to the needs of French-speaking Albertans. In 2016-17, \$1.4 million helped support the planning and delivery of quality, French-language services including awarding \$0.8 million in matched federal funding through grants and transfers to organizations and initiatives aimed at contributing to the well-being of francophone families and communities. During the year, the secretariat also led targeted consultations with internal and external stakeholders, and administered a bilingual online survey to help develop Alberta's first French Policy. This will support the development and vitality of Alberta's Francophonie through improved services in French. The policy is expected to be released in 2017.

A growing interest in heritage preservation has created new opportunities for communities to diversify their local economies while sharing the story of Alberta's past. Funding of \$64.0 million helped ensure Albertans and visitors from around the world have continued access to museums, archives and historic resources. This includes investment in heritage preservation and support to Alberta's network of 20 museums and historic sites across the province, including support to the Provincial Archives of Alberta. It also includes \$8.2 million provided by the ministry, through the Alberta Historical Resources Foundation, to support the Glenbow Museum, Alberta Museums Association, and provincial heritage organizations and initiatives that support heritage preservation initiatives across the province.

In 2016-17, the ministry continued to undertake surveys on archaeological and palaeontological sites. Thousands of cubic metres of soil, gravel, and bedrock are excavated in Alberta every year through road construction, urban development, mining and other industrial activity. When fossils are exposed during these activities, ministry scientists and industrial workers cooperate to safely excavate and protect Alberta's fossils for scientific study and display. In May 2017, the new *Grounds for Discovery* exhibit at the Royal Tyrrell Museum of Palaeontology will open showing visitors the positive outcomes of reporting fossil discoveries and working with industry.

DID YOU KNOW?

As Canada's only museum devoted exclusively to palaeontology, the Royal Tyrrell Museum of Palaeontology is an epicentre for scientific research and public engagement. The museum attracts visitors from across the province, the nation and around the world. Since opening its doors in 1985, the museum has drawn more than 12.5 million visitors. In its 32-year history, the museum has collected some of the best fossils in the world that have given a better understanding of what life was like in ancient Alberta. In collaboration with the Ministry of Infrastructure, a total of \$9.3 million will be invested into a 1300 m² expansion of the museum, including \$5.7 million from the Government of Alberta and \$3.6 million from the Government of Canada. Work is expected to begin in summer 2017 and be completed in 2019.

The centrepiece of the exhibit is a new species of dinosaur discovered at the Suncor Millennium Mine near Fort McMurray in 2011. The new species of nodosaur (armoured dinosaur) is the oldest dinosaur known from Alberta – approximately 112 million years old and is the best preserved armoured dinosaur ever found.

The May 2016 wildfire seriously affected Fort McMurray and surrounding communities. The ministry provided programs and services to assist with the relief efforts. Support included free admission to provincial heritage facilities for displaced Fort McMurray area residents, and overseeing the sourcing of artists for the debit card distribution centres providing entertainment to evacuees. Support for residents in the aftermath of the wildfires included opening the Oil Sands Discovery Centre for use as a community meeting point for those returning to the municipality, and providing community development support such as facilitation and resources to nonprofit organizations in the region. A community grant of approximately \$75,000 was provided to the Association Canadienne Francaise de l'Alberta, Regionale de Wood Buffalo, to assist recovery efforts including a mobile office and daycare relocation. Ministry staff also engaged with partners in the culture sector to determine needs and explore solutions to address the impacts of the fires on arts and heritage organizations.

DID YOU KNOW?

According to the ministry's 2017 Survey of Albertans on Culture and Tourism, 94.8 per cent of Albertans feel that recreation facilities and services are important in contributing to their overall quality of life. Among Albertans, there was also near consensus that parks, open spaces and trails provide opportunities to enjoy nature (99.0 per cent); that recreation creates opportunities for families to spend time together (98.5 per cent), encourages children and youth to be active (98.0 per cent), and contributes to physical health (97.8 per cent) and mental well-being (97.6 per cent); and, strong agreement that recreation helps Albertans connect with friends (98.5 per cent) and contributes to their community's economy (88.9 per cent).

Alberta's recreation and sport sector contributes to the economy and supports active lifestyles. According to Statistics Canada, recreation and sport goods and services contributed approximately \$750 million in GDP to the culture sector in 2014. Working with partners and key stakeholders, the ministry contributes to engaging Albertans in active and healthy lifestyles, supporting recreational and physical activity opportunities and assisting athletes to excel in sport. In 2016-17, \$2.7 million was distributed through the Organizational Support and Alberta Active Living programs to help support the outcomes of an active Alberta, and the 24 provincial recreation associations and 16 active living organizations across Alberta. These organizations provide leadership training and development, safety, public awareness and direct programming that supports the outcomes of a more active Alberta.

The delivery of the Recreation and Physical Activity Project Grant Program, offered through two funding streams (including one micro-grant intake), fully adopted expert panel peer assessment for the adjudication of project grants. The program received over 60 submissions and funded 16 projects from organizations across the province designed to encourage Albertans to be more active more often. The open call for submissions broadened the ministry's range of contacts and potential relationships, and reduced application administrative burdens for applicant organizations through providing different tiers of project support to enable projects of different scope.

The Stakeholder Forum is an annual event coordinated by the ministry to strengthen relationships with stakeholders, inform of government direction, and encourage connections between sector organizations. Two stakeholder engagement sessions were held on October 5, 2016, with 27 representatives from recreation and active living organizations offering perspectives on the direction

of a revised operating funding framework. The ministry collaborated with the Alberta Active Living Partner Network in delivering the 2016 Active Living Partners Forum, which saw representatives of active living organizations come together for presentations and networking. The ministry also held a visioning workshop at the Edmonton Skills Society on March 8, 2017 with 38 representatives from active living and recreation organizations exploring how to better coordinate active living organizations in pursuit of common goals and outcomes.

In 2016-17, the ministry provided \$21.2 million to the Alberta Sport Connection to support all levels of sport development in the province, promote athletic excellence and multi-sport games, and to partner with and fund community initiatives. The ministry awarded more than 254 Alberta-based athletes, in 40 sports, nearly \$1 million through the Alberta Sport Connection Podium Alberta program. This funding helps athletes access high-performance coaching and training opportunities and pursue athletic excellence at the highest levels. Funding of up to \$6,000 is provided to Alberta-based athletes who are carded at the national level to support them in fulfilling educational goals and allowing improved access to training opportunities, coaching, and sport science practitioners. Since its inception, 227 Alberta athletes from the program have gone on to compete at the Olympic and Paralympic level.

The Alberta Summer Games are coordinated by the ministry, through the Alberta Sport Connection in partnership with the host community. An estimated 3,000 participants, their families and spectators attended the 2016 games in Leduc, providing an opportunity for Albertans 11 to 17 years of age to compete in a provincewide summer sports competition. The Summer Games feature a wide variety of sports including: athletics, cycling, baseball, swimming, triathlon, rugby, basketball, soccer, canoe/kayak, and beach volleyball. Participants earn the right to participate by qualifying through zone playoffs held for each sport. The ministry supports the summer games by providing operating grants and a cultural grant to the host community. For the 2016 games, the ministry provided \$370,000 through operating grants administered in 2014-15 and 2015-16, and \$70,000 through a cultural grant in 2015-16 to support the event. A further \$50,000 legacy grant will also be provided to the host community in 2017-18 to support facility improvements and other supports to further encourage sport participation and active living in the community. It is estimated the 2016 Alberta Summer Games generated \$3.7 million in economic activity for the Leduc area and approximately \$4.9 million overall in Alberta.

The ministry, through the Alberta Sport Connection and the Alberta Foundation for the Arts, partnered with the Ministry of Indigenous Relations, the Royal Canadian Mounted Police, Indigenous communities, and corporate sponsors, to provide Indigenous youth, ages 9 to 25, new experiences, positive role models and opportunities to build confidence, overcome barriers and realize potential

DID YOU KNOW?

On October 13, 2016, Sport Calgary hosted the Celebration of Sport Luncheon in partnership with the Government of Alberta, Alberta Sport Connection and the Canadian Sport Institute Calgary. Seventy-nine Alberta-based athletes, coaches and mission staff who represented Canada in 2016 Rio de Janeiro Olympic and Paralympic Games were honoured in a special celebration.

The event was emceed by former Olympic Gold Medal speed skating champion, Catriona Le May Doan and attended by Lieutenant Governor, Lois Mitchell, Federal Minister of Sport and Persons with Disability, Carla Qualtrough, Minister of Culture and Tourism, Ricardo Miranda, and Mayor of Calgary, Naheed Nenshi, all of whom congratulated Alberta athletes on their achievements and thanked them for representing Alberta and Canada.

through sport, recreation, arts and cultural experiences through the Alberta's Future Leaders Program. This year, the program's 20th anniversary, had more than 400 youth participate in the program, delivering 1,621 program hours in nine Indigenous communities.

DID YOU KNOW?

On February 1, 2017, Premier Rachel Notley proclaimed February as Black History Month, recognizing the contributions people of African and Caribbean descent have made to the province. Premier Notley, Culture and Tourism Minister Ricardo Miranda and Edmonton-Centre MLA David Shepherd made the announcement at the Alberta legislature along with representatives from Alberta's African and Caribbean communities.

According to Statistics Canada 2011 census, Alberta has the third highest black population in Canada. Through the proclamation, Alberta joins British Columbia, Ontario and Quebec in officially recognizing Black History Month and the contributions of the black community to Alberta's culture, economy and quality of life.

Working with other ministries, levels of government, partners and key stakeholders, the ministry helps ensure Alberta is recognized at home and abroad for its unique culture, its cultural-tourism opportunities and its distinct and authentic people, places and attitude. The ministry leverages Alberta's culture to connect people and communities through heritage, ideals and values while attracting and retaining newcomers, investors, creative people, visitors and employers. A growing interest in heritage preservation has created new opportunities for communities to diversify while sharing the story of Alberta's past. The cultural industries and tourism help to diversify Alberta's economy. Tourism remains strong with record numbers of leisure travellers visiting many of the province's key attractions and resort destinations.

Each day, Alberta's culture and tourism sectors contribute to the cultural, social and economic well-being of communities across the province making life better for Albertans. Both sectors will continue to play a prominent role as Albertans work together to diversify Alberta's economy, create jobs and build strong communities.

Desired Outcome One

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

Overview

To encourage and promote engaged and inclusive communities, the ministry works to strengthen the capacity of Alberta's nonprofit and voluntary sector by providing financial support through grant programs and facilitation, consultation, and skill development services to community organizations, networks, and government entities. The ministry, through the Alberta Foundation for the Arts, supports the efforts of artists and arts organizations.

The department works towards a more active Alberta by assisting partners in recreation, physical activity and sport sectors, in planning and evaluating quality program, research and policy initiatives. Through the Alberta Sport Connection, the ministry offers programs and funding opportunities supporting the sport development system, including the hosting of sport events in the province.

The ministry provides access to Alberta's heritage through its network of provincial heritage facilities that includes five museums, 14 historic sites and interpretive centres, and the Provincial Archives of Alberta. These facilities collect, exhibit, research, interpret and preserve our heritage. The ministry regulates potential impacts to historic buildings, archaeological and palaeontological sites, and Indigenous traditional use sites, and provides advice and financial support to conserve historic sites, cultural artifacts and archival records. It administers the *Historical Resources Act*, which empowers the province and municipalities to protect highly significant historic places through special designation, and establishes the Alberta Historical Resources Foundation that provides assistance for community-based heritage initiatives across the province.

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

Results

1.1 Through the Alberta Foundation for the Arts, provide funding for artists and arts organizations to support greater access, excellence and sustainability for the arts in Alberta.

The ministry, through the Alberta Foundation for the Arts, is the primary arts resource and grant funding body in Alberta. In 2016-17, the foundation funded arts activities with approximately \$22.5 million in grants. Of this funding, 88.6 per cent was provided through 700 organization grants for operational and project funding, as well as 11.4 per cent through 280 individual grants to support their activities. This year marked the beginning of the Major Arts Presenting operating funding stream, with \$1.5 million awarded to 13 organizations. The grant stream was created to bring professional arts presenters (for example,

DID YOU KNOW?

Storytelling is a central part of culture that can surpass language, time and generational divides. Indigenous peoples have shared stories for thousands of years through oral traditions, but also through visual mediums: from ancient forms like carvings and paintings found on rock formations, to contemporary Indigenous art.

Cold Lake First Nation's Alex Janvier is one artist who has made an important contribution through his striking abstract paintings. Janvier is featured in a retrospective exhibition curated by the National Gallery of Canada. This exhibition features more than 150 artworks, including several works from the Alberta Foundation for the Arts Art Collection. This exhibit will be shown across the country, including a stop at Calgary's Glenbow museum in the summer of 2017.

the Edmonton Folk Music Festival Society, Calgary International Film Festival Society) in line with funding provided to other professional arts organizations. Major Arts Presenters in Alberta used to receive operating funding from a variety of grants streams and this new approach better recognizes the business model for major arts presenters. The new stream provides stable funding in three-year cycles to eligible professional organizations to better support the role they play in Alberta's arts ecosystem.

September 6, 2016, marked the 25th anniversary of the *Alberta Foundation for the Arts Act*. The foundation began the celebration by announcing five commemorative art project grants for a total of \$120,800. The projects will create a legacy of artwork, performance, or composition that reflects the evolution of Alberta's arts community over the past quarter century. The foundation also launched a refreshed website to help organizations and artists find funding opportunities and help Albertans to discover

what is happening in the Alberta arts community. The website contains an extensive provincial art collection featuring work from artists from all over the province.

1.2 Champion and support planning activities for Canada's 150th anniversary celebration to increase awareness of Alberta's culture and heritage.

In order to increase awareness of Alberta's culture and heritage, the ministry is championing and supporting planning activities for Canada's celebration of the 150th anniversary of Canadian Confederation on July 1, 2017. The Alberta Canada 150 grant stream was announced on December

16, 2016. The grant, available through to October 2017, provides up to \$2.0 million to organizations and projects aligning with the four federal Canada 150 themes: diversity and inclusion, reconciliation, engaging and inspiring youth, and nature. In 2016-17, 18 projects were approved for a total of \$339,681.

DID YOU KNOW?

As communities across Canada celebrate the Canadian Confederation, the Ukrainian Cultural Heritage Village highlighted stories and experiences of ordinary Albertans in a special art exhibit entitled "Where We Came From". Albertan youth were invited to submit artwork illustrating the role their families played when they first arrived in the province and how they helped build their communities. The best examples from each age category will be displayed in the Ukrainian Cultural Heritage Village visitor centre for the 2017 summer season. Age categories include: seven and younger, 8-9, 10-12, 13-15 and 16-18 years of age.

In 2017-18, the ministry will be providing additional funding for artists and arts organizations to support greater access, excellence and sustainability for the arts in Alberta, and lead the provincial role in Canada's 150th anniversary. This includes increasing access in rural areas, through programs such as the Arts Presenting Program, and to youth, through programs like the Artists and Education Program.

1.3 Address recommendations in the Truth and Reconciliation Commission Report and the United Nations Declaration on the Rights of Indigenous Peoples.

The ministry has continued to work toward repatriating sacred ceremonial objects from provincial museum collections. In 2016-17, the *First Nations Sacred Ceremonial Objects Repatriation Act* was confirmed as the most appropriate means to effect repatriation and was amended to allow continued repatriation to Blackfoot First Nations and the ability to develop regulations with other First Nations. Preliminary engagements have commenced, and will continue in 2017-18. Other means are being explored for future repatriation to other Indigenous peoples.

Additionally, ministry staff established a cross-ministry working group and initiated regular meetings to consider a policy for managing historic Indigenous burial sites.

1.4 Work in partnership with Infrastructure to advance construction of the new Royal Alberta Museum.

Work on the new Royal Alberta Museum in downtown Edmonton began in 2013 and employed architects, developers, construction workers and other related trades. The cost of the new museum, which includes construction of the facility as well as gallery and exhibit development, was estimated at \$375.5 million, with \$253.0 million provided by the province and \$122.5 million provided by the Government of Canada.

Cultural institutions like the Royal Alberta Museum in Edmonton play a key role in developing dynamic communities that celebrate Alberta's diverse heritage and creativity. Museums bring people together, sparking curiosity, encouraging tourism, and connecting community members.

DID YOU KNOW?

The new museum achieved a substantial milestone in August 2016, having all galleries and individual exhibit designs confirmed and concluded. Exhibit fabrication has been initiated, as has development of all media and interpretive elements. The new museum is expected to open in early 2018 and once complete, will be one of the province's greatest cultural attractions and the largest museum in western Canada.

1.5 Align government and stakeholder efforts through the Alberta Sport Plan and the new funding framework for sport initiatives, and implement a Municipal Recreation Engagement Strategy to advance the National Framework for Recreation throughout the province.

In 2016-17, the ministry, through the Alberta Sport Connection, consulted and engaged sport partners and stakeholders to implement the Alberta Sport Plan and develop a new funding and accountability framework, to be implemented in 2018-19. The Alberta Sport Connection, as part of a 2017-20 ministry business plan key strategy, will be developing revenue generating options to support provincial sport initiatives, creating greater awareness of the Alberta Sport Connection Donation Fund Program, and encouraging local event sponsorship.

From June 7 to 9, 2016, Alberta hosted the Federal-Provincial/Territorial Ministers responsible for Sport, Physical Activity and Recreation Conference. It included updates on how the Framework for Recreation in Canada 2015: Pathways to Wellbeing, was being implemented in post-secondary institutions, through federal, provincial and municipal governments, and sector organizations.

To further this work in Alberta, the ministry continued to implement the Municipal Recreation Engagement

DID YOU KNOW?

In February 2017, a new team led by Stanley Cup Champion Andrew Ference were selected to lead Alberta's sport promotion and development agency. Ference was named Chair of the Alberta Sport Connection's new Board of Directors.

The new board includes Olympic Gold medallist Erica Weibe, Olympic Silver medallist Helen Upperton, Paralympian Antonio Flores, Indigenous sport advocate Kody Taylor, Taryn Barry, founder of the Etisha Foundation for orphaned children, Ann MacTaggart, from Ringette Alberta, Jesse Bhondi, former Director of the Highland Primary Care Unit, and returning members Kelly Blackshaw, a 2006 Alberta Sports Hall of Fame inductee, Wade Kolmel, Athletic Director, Southern Alberta Institute of Technology, and Cam Hodgson, former All-Canadian football player.

Strategy, a joint three-year action plan developed with the Alberta Parks and Recreation Association on activities to implement the outcomes of the Framework and of an active Alberta at the local level throughout the province. Initiatives are focusing on creating benefits for the overall recreation sector through the overarching pillars of: awareness, education, relationship building, knowledge sharing, policy influence and monitoring. Work related to the strategy included the municipalities within Leduc County hosting an event to jointly endorse the Framework at the Leduc Recreation Centre on June 6, 2016. The ministry assisted with the coordination of the event and is developing a tool kit template to assist other municipalities in Alberta to hold their own events.

The Energize Workshop is a networking forum for officials responsible for recreation at the community level, held in conjunction with the annual Alberta Recreation and Parks Association

Conference. This year, as part of the Municipal Recreation Engagement Strategy, a workshop was held in October 2016, with 57 elected municipal officials. The overall Energize Workshop program included 11 sessions tailored for elected officials as well as a breakfast session where the Canadian Red Cross presented on the role that recreation can play in disaster response and recovery. The Energize Workshop concluded with the Minister presenting the Alberta Recreation Volunteer Recognition Awards. Awards were presented to four volunteers who, through their volunteer commitment and dedication, significantly enhanced the development of recreation in the province.

1.6 Collaborate with government and community stakeholders to identify opportunities for improved access to early learning and child care services in French.

In 2016-17, the ministry, through the Francophone Secretariat, worked in collaboration with the Alberta Ministry of Children Services (formerly part of the Ministry of Human Services) and the Fédération des parents francophones de l'Alberta on two initiatives: the development and regional expansion of the provincial Francophone Parent Link Centre Network and a project to explore opportunities to enhance and increase access to child care services for French-speaking families. These were key priority areas identified by stakeholders during consultations to develop a French policy, and both initiatives aim to improve access to early learning and child care services in French, and ultimately foster greater French language acquisition and transmission from an early age.

In collaboration with the Ministry of Children Services that provided \$500,000, the ministry provided \$214,300 through the Canada-Alberta Agreement on French-Language Services to support the development and continued implementation of a provincial network of Francophone Parent Link Centre services. The support enabled the expansion of programming outside of the Capital Region throughout Alberta, reaching more than 4,095 unique participants in 10 Alberta communities. Services and activities supported through this initiative include staff development opportunities, early childhood fairs, "Ages and Stages Questionnaire" thematic events, workshops for interlinguistic families, free resources and support for parents and caregivers, promotion and distribution of "Bienvenue Bébé" (Welcome Baby) kits to new

parents. This funding also provides for a stable coordinating body for the Francophone Parent Link Centre Network and services.

In an effort to increase the number of childcare spaces available for francophone and French-speaking families, \$30,000 in funding was provided to the Fédération des parents francophones de l'Alberta to help develop child care services and determine ways to increase services in French. The federation explored various organizational models to support the creation of Francophone child care spaces and increase the capacity of existing child care providers. The needs assessment concluded that existing and future child care services in French would greatly benefit from

an association of francophone child care providers where centralized supports would be offered, such as licensing, payroll service, budgeting, training, referrals etc. A number of fee-for-service agreements to this effect have been signed with child cares providers.

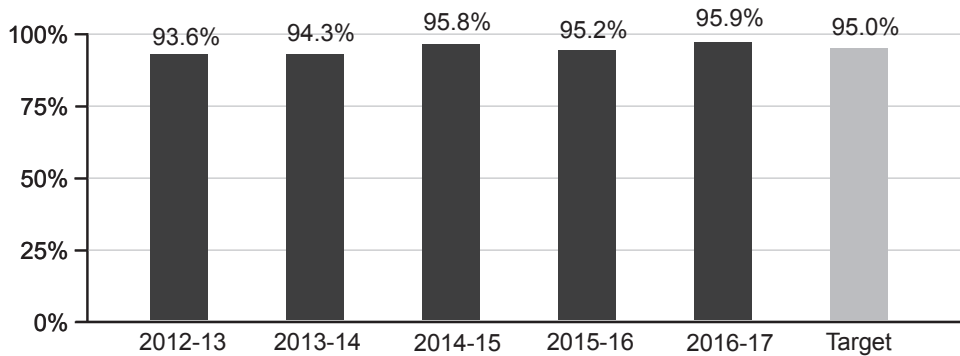
In 2016-17, the Francophone Secretariat, also held consultations with a broad cross-section of the francophone community to develop a French Policy for Alberta. As part of the 2017-20 business plan, and in collaboration with other ministries, agencies, boards and commissions as well as francophone community stakeholders, the ministry will develop and implement a policy to guide the delivery of government services in French.

DID YOU KNOW?

According to Statistics Canada's 2011 Census, Alberta's Francophone population grew by approximately 30.8 per cent between 2001 and 2011, faster than any French-speaking population in Canada. Language projections suggest between 2011 and 2036, growth in the French-speaking population will be highest in Alberta and the territories.

Performance Measure

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



Source: Client Satisfaction Survey, Customer Service Information System

Description

This measure indicates the percentage of clients who are able to apply/use the results from the ministry's customized capacity-building facilitation workshops. These services provide support to nonprofit/voluntary and government organizations to achieve their outcomes, such as a strategic plan, agreement on a contentious issue or collecting extensive input on an idea.

Results

The result of 95.9 per cent was 0.9 per cent higher than the 2016-17 target of 95.0 per cent and 0.7 per cent higher than the 2015-16 result.

Analysis

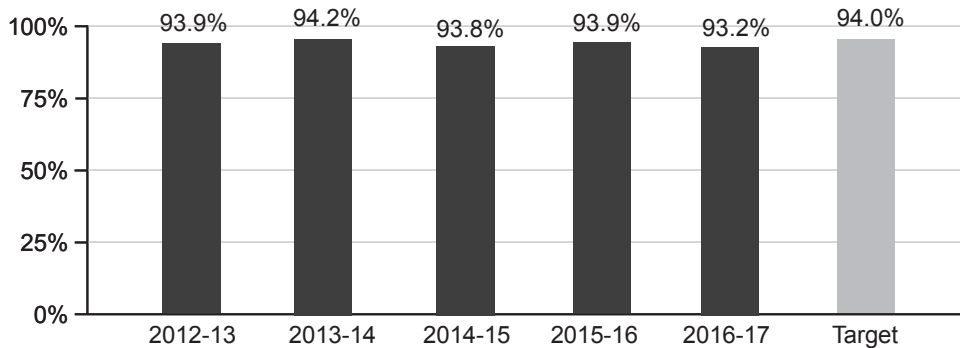
Results are affected by a steady and high demand for facilitation services and training workshops that help community organizations and government address issues and develop organizational and board capacity. The ministry's focus on customizing these services and workshops to meet the needs of the client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

This client focus is further demonstrated through results from all facilitation, public participation and skill development sessions and workshops: 93.6 per cent of clients indicated that their knowledge of the subject matter increased, 94.9 per cent indicated that they gained insight into the subject matter and 91.8 per cent indicated that they were confident in their ability to apply what they had learned about the subject matter. Overall, 98.0 per cent of all clients were satisfied with the services provided by the ministry.

In 2016-17, the ministry provided a broad range of capacity-building facilitation services and workshops to rural and urban nonprofit and voluntary sector organizations and government organizations with 753 projects supported. These services and workshops are highly accessible to organizations anywhere in Alberta.

Performance Measure

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



Source: Survey of Albertans on Culture and Tourism

Description

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

Results

The result of 93.2 per cent was 0.8 per cent lower than the 2016-17 target of 94.0 per cent and remains very high and consistent with previous results.

Analysis

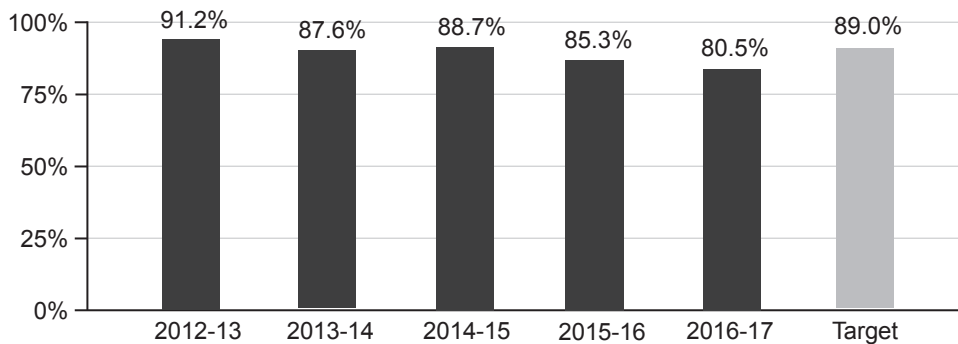
When asked about the potential benefits of Alberta's historical resources and heritage facilities, 96.6 per cent of Albertans responded that the opportunity for education and lifelong learning experiences was important to them overall and, of those, 80.1 per cent responded that it was very important. Albertans also felt historical resources were important to providing recreational opportunities (96.5 per cent), generating visitor spending in local communities (92.4 per cent) and that preserving Alberta's history was also important (96.2 per cent).

In honour of Family Day, on February 20, 2017, Alberta's historic sites, museums and archives offered free admission. More than 14,300 people celebrated the Family Day long weekend at provincial heritage facilities, an increase of 35 per cent compared to 2015-16. In addition, the Royal Tyrrell Museum of Palaeontology located in Drumheller, set a new record for highest attendance to the museum on Family Day as more than 7,250 people enjoyed the galleries.

Between May 8 and September 2016, the ministry offered free admission to provincial museums, interpretive centres and historic sites to Fort McMurray evacuees displaced by the May 2016 fire. Over 6,000 evacuees took advantage of the offer and the opportunity to enjoy a brief respite from the challenges they faced during that time.

Performance Measure

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



Source: Survey of Albertans on Culture and Tourism

Description

This measure reflects Albertans' perception of the value of arts activities and their contribution to quality of life in their community. Ministry funding for arts organizations and individual artists provides opportunities for Albertans to participate in arts activities. By providing operating grants to nonprofit organizations that coordinate arts events and projects, the ministry impacts Albertans' perceptions of how the arts contribute to their quality of life.

Results

The result of 80.5 per cent was 8.5 per cent lower than the 2016-17 target of 89.0 per cent and 4.8 per cent lower than the 2015-16 result.

Analysis

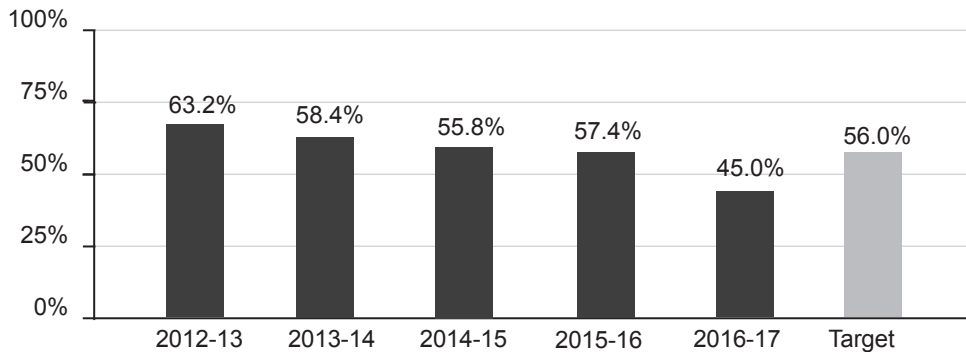
In 2016-17, the majority of Albertans considered arts activities to be an important contributor to their quality of life, including 33.0 per cent that indicated that arts activities were very important. A number of factors shape an individual's relationship to arts activities and perception of the personal benefit of the arts. Arts participation is motivated by educational, social, aesthetic, emotional and cultural benefits. There are a number of barriers to participation in the arts including historical cultural exclusion, lack of encouragement from family members or social networks, work, family and leisure balance, levels of disposable income, and structural impediments (e.g., time, transportation, financial).

This year, changes were made to modernize the survey questionnaire. In previous years, this question was grouped with questions around attending and participating in arts activities that provided examples of activities. This may have helped Albertans in their recall and valuing arts activities. For the 2016-17 survey, this question was moved to a section that consolidated the quality of life related questions. The lack of examples of activities immediately preceding this question may have contributed to the decrease in the positive responses to the question.

A new question was added to the survey this year asking respondents if they agree that arts and culture make their community a better place to live; with 85.8 per cent of Albertans agreeing including 48.0 per cent strongly agreeing. This suggests that despite the decrease in perception around an individual's quality of life, Albertans feel arts and culture continue to benefit their communities.

Performance Measure

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



Source: Survey of Albertans on Culture and Tourism

Description

This measure indicates 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 45.0 per cent was 11.0 per cent lower than the 2016-17 target of 56.0 per cent and 12.4 per cent lower than the 2015-16 result.

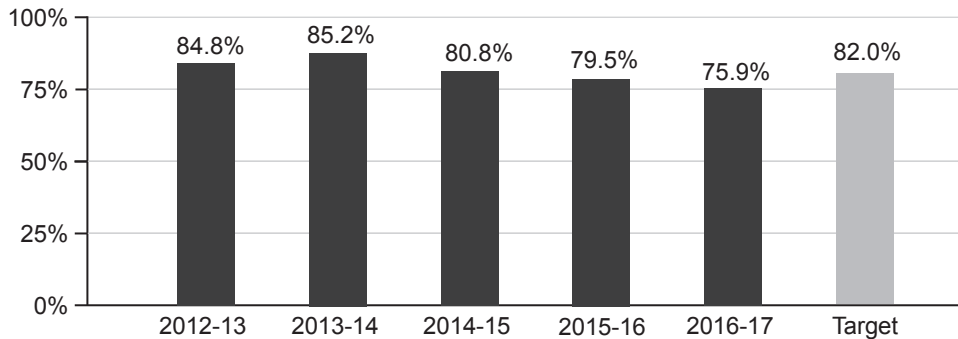
Analysis

Fewer Albertans indicated they visited a historical resource in the past year compared to previous years. The Royal Alberta Museum's continued closure in 2016-17 potentially contributed to this, as the museum accounts for a significant number of visitors from the Edmonton region (and from other parts of the province). Visitation at the Oil Sands Discovery Centre was also significantly impacted between May and September 2016, as a result of the Fort McMurray wildfire. The number of displaced residents from the region and the financial and in-kind support from Albertans in the Edmonton and Calgary regions during that time impacted overall visitation. Economic conditions in Alberta also impact discretionary spending, which may have contributed to lower visitation rates in 2016-17.

Heritage facilities provide unique opportunities for people from all walks of life to discover the richness of the Alberta experience. Albertans' visitation is influenced by many factors, including the condition and types of events and exhibits, other entertainment or educational opportunities and the current economic conditions that impact discretionary spending. When asked to list the many reasons for their visit, 45.8 per cent of Albertans responded it was out of curiosity and pleasure, while 28.9 per cent indicated that it was for educational purposes. A total of 21.1 per cent felt that it provided a good family activity and an opportunity to show Alberta's heritage to their children, while 16.2 per cent indicated they had a special interest in history.

Performance Measure

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



Source: Survey of Albertans on Culture and Tourism

Description

This measure indicates adult Albertans' attendance at arts activities or events. Examples include activities such as attending a festival or live performance such as music, theatre or dance, taking an arts course or visiting an arts exhibition or gallery.

Results

The result of 75.9 per cent was 6.1 per cent lower than the 2016-17 target and 3.6 per cent lower than the 2015-16 result. This year, the survey question was modernized to update the language and realign response categories with the mandate of the Alberta Foundation for the Arts. The change in question wording was made after the target of 82.0 per cent was set.

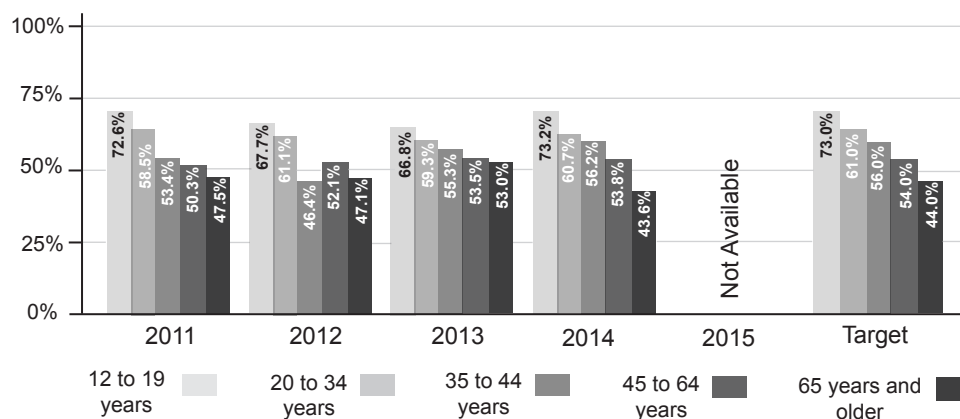
Analysis

This year's result is in line with the trend observed in recent years as economic conditions impact the results. The update to the survey question this year also impacted results. The survey added new categories "attending literary events such as book launches, author talks and book readings" and "attending an artist talk or lecture about their work". The update also removed two categories, "participating in a community or school based arts program", and "purchasing an art product". Analysis of results determined the new categories were not that impactful by themselves, to the overall result. Whereas, the removal of the two old categories did impact the overall result by approximately 4.5 per cent, and the decrease reflects in part these survey changes.

Despite observed decreases in participation, the data also demonstrates that in tough economic times many Albertans are supporters of the arts. The results may be attributed in part to the support provided to arts and arts organizations' efforts to arts events. For example, the ministry funded arts activities, through the Alberta Foundation of the Arts, with approximately \$22.5 million in grants. In 2016-17, 88.6 per cent of this funding was provided to approximately 700 organizations, and 11.4 per cent through 280 individual grants to artists to support their activities. This year marked the beginning of the Major Arts Presenting operating funding stream, with \$1.5 million awarded to 13 organizations. These organizations and artists provide arts events and programming throughout the province.

Performance Measure

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



Source: Statistics Canada, Canadian Community Health Survey

Description

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

Results

The 2015 results are not available due to a survey redesign by Statistics Canada. The removal of this question from the survey means the ministry will no longer be able to report on this performance measure. The ministry is investigating other data sources that may provide performance measure or performance indicator information to report progress on this outcome.

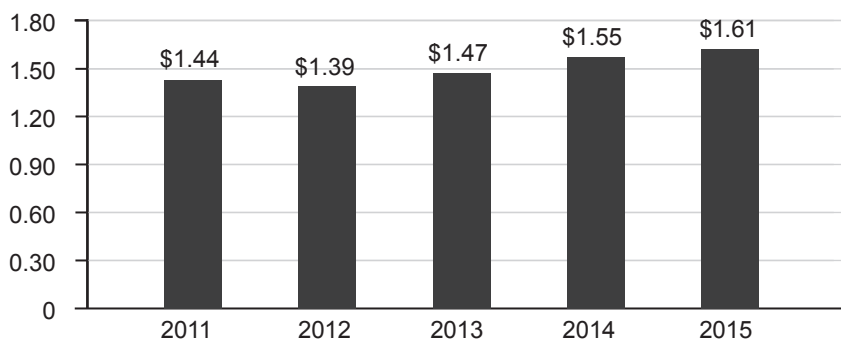
Analysis

The ministry contributes to results through working with recreation partners, active living, and sport organizations to provide opportunities for all Albertans to enjoy active, healthy lifestyles such as the Alberta Summer Games, Alberta Winter Games, Alberta's Future Leaders Program, and Winter Walk Day. Winter Walk Day, held on February 1, 2017, is a provincewide event that encourages Albertans to venture out on a winter day for a minimum of 15 minutes of exercise. The ministry provides funding support and coordinates a cross-industry Winter Walk Day committee that plans and supports the event. Winter Walk Day 2017 featured over 133,000 reported participants, including over 84,000 students.

In 2016-17, the ministry funded 17 recreation and physical activity projects that included supporting programming for Indigenous communities, increasing access for women and girls, and programming for Alberta children and youth in institutional settings such as schools and after school care facilities. The ministry continues to work with municipalities, the primary delivery agents of recreation and physical activity programming in the province, through the Municipal Recreation Engagement Strategy, advancing toward an active Alberta and the outcomes of the Framework for Recreation in Canada at the local level. The Alberta Sport Plan also continues to guide decisions related to amateur and organized sports in the province.

Performance Indicator

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



Source: Statistics Canada, Charitable Donations

Note: Performance indicators show progress toward achievement of outcomes that the ministry does not have direct influence on. As such, no targets are presented.

Description

This indicator identifies the total tax filer donations by Albertans to registered charities. Due to the time lag in receiving data from Statistics Canada, results are for 2015.

Results

The 2015 result of \$1.61 billion is \$0.06 billion or 3.6 per cent higher than the 2014 result. This percentage increase was the third largest out of all the provinces, after British Columbia and Manitoba. Over the last five years, charitable donations in Alberta have increased from \$1.44 billion in 2011 to \$1.61 in 2015.

Analysis

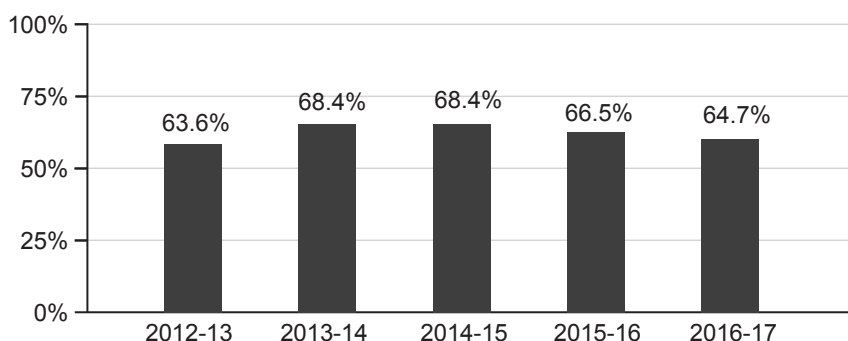
In terms of the proportion of tax filers donating in 2015, 21.7 per cent of Albertans claimed a donation, the fifth highest percentage out of the provinces and higher than the Canadian average of 21.0 per cent. In Alberta, approximately three per cent of those aged 24 years and under donated to a registered charity, approximately 15 per cent aged 25 to 34 donated, and approximately 21 per cent of tax filers aged 35 and over donated. While the actual number of tax filers donating in Alberta has increased over the last five years by approximately 285,600, as the population grows, the percentage of tax filers donating has decreased, a trend observed in all provinces.

In terms of median donations, Alberta ranked first among the provinces donating \$450; meaning half of total donations from individuals in 2015 were above \$450, and half below. The median donation in Canada in 2015 was \$300. By region, donors from the Lacombe area had the highest percentage of tax filers in Alberta, at 25.8 per cent, and the highest median donation, at \$900.

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 like the June 2013 floods in Alberta, social issues like the Syrian refugee resettlement in 2015, and economic issues like unemployment also impact results and the number of people donating and/or the value of their donations. The May 2016 fire in Fort McMurray may also impact results, which will be seen next year.

Performance Indicator

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



Source: Survey of Albertans on Culture and Tourism

Note: Performance indicators show progress toward achievement of outcomes that the ministry does not have direct influence on. As such, no targets are presented.

Description

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

Results

The result of 64.7 per cent is 1.8 per cent lower than the 2015-16 result. Results over the last five years have fluctuated between 63.6 per cent in 2012-13 and 68.4 per cent in both 2013-14 and 2014-15.

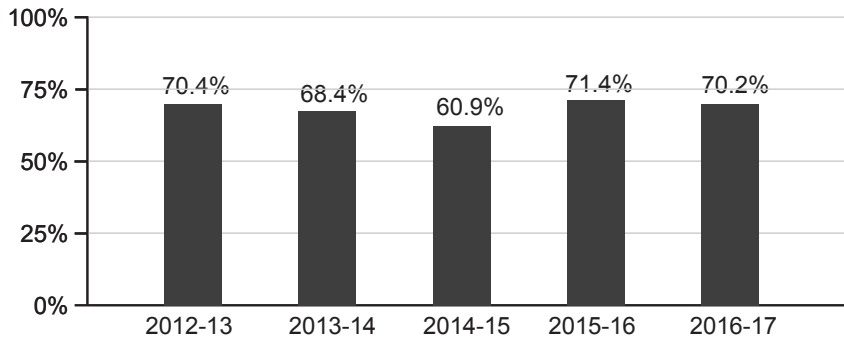
Analysis

A number of factors impact results including Albertans' awareness of the protection and preservation activities carried out by the ministry and by other heritage organizations in the province. Awareness of protection and preservation activities undertaken in other jurisdictions and in other countries also impacts results. When asked further about the potential benefits of Alberta's historical resources and heritage facilities, 96.2 per cent of Albertans indicated that the preservation of Alberta's history was important to them, with 72.0 per cent indicating that it was very important to them.

In 2016-17, the ministry, through the Heritage Preservation Partnership Program, approved approximately \$2.5 million in grants to heritage projects intended to promote greater understanding and appreciation of Alberta's history. Through its museums and the Provincial Archives, the ministry manages collections consisting of cultural and scientific artifacts, and archival holdings providing education and entertainment, as well as a trusted source of Alberta's history. The ministry also preserves and presents Alberta's history at three interpretive centres (Oil Sands Discovery Centre, Head-Smashed-In Buffalo Jump and Frank Slide Interpretive Centre), seven developed historic sites (Leitch Collieries, Stephansson House, Victoria Settlement, Brooks Aqueduct, Father Lacombe Chapel, Fort George and Buckingham House, and Historic Dunvegan), one developed historic site leased to a society (Lougheed House), one developed site leased from the University of Alberta (Rutherford House), and one historic site currently under development (Turner Valley Gas Plant).

Performance Indicator

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



Source: Survey of Albertans on Culture and Tourism

Note: Performance indicators show progress toward achievement of outcomes that the ministry does not have direct influence on. As such, no targets are presented.

Description

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

Results

The result of 70.2 per cent was 1.2 per cent lower than the 2015-16 result.

Analysis

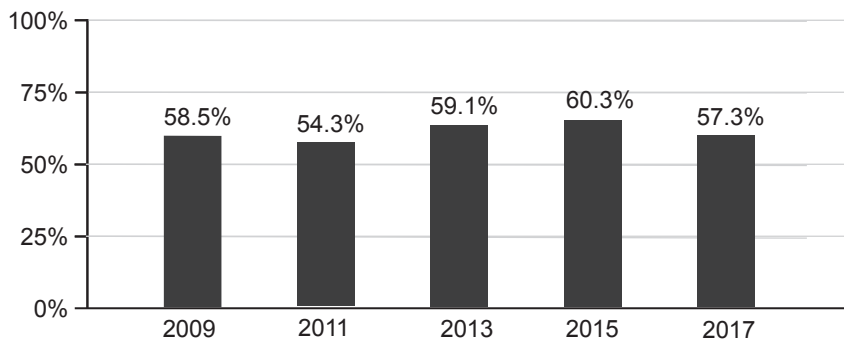
In 2016-17, 29.0 per cent of respondents reported volunteering in sports, 28.3 per cent as a board member of a nonprofit, 26.6 per cent in recreation, 26.5 per cent in human services (e.g., food bank), 25.2 per cent in youth development, 14.4 per cent in regards to the environment, 14.0 per cent in arts and cultural areas, 9.2 per cent in law, advocacy or politics, 3.9 per cent in libraries, and 22.1 per cent in other types of volunteer work (e.g., animal rescue). Results also show that of those Albertans who volunteer, 52.8 per cent volunteer up to five hours per month.

Most areas displayed increases in volunteer rates in 2016-17, except in human services, the environment, and in arts and cultural areas. Significant environmental events in Alberta may have impacted the rates of volunteering observed in recent years; these included the ice storms in 2012-13, and the floods in 2013-14. While the 2014-15 result returned to the levels seen prior to these events, the result in 2015-16 may have been impacted by people volunteering during federal and provincial elections and/or supporting Syrian refugees coming to the province. The Fort McMurray wildfire in May 2016, included a coordinated response and while Albertans donated supplies and money, it does not appear to have increased the overall volunteer rate, although may have influenced the result like previous disasters.

Of those Albertans who had not volunteered, 54.2 per cent indicated the primary barrier was lack of time while 13.1 per cent cited disability or health problems (including age). Alberta's volunteerism rate is also influenced by the economy and job market.

Performance Indicator

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



Source: Alberta Survey on Physical Activity

Note: Performance indicators show progress toward achievement of outcomes that the ministry does not have direct influence on. As such, no target is presented.

Description

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

Results

The 2017 result of 57.3 per cent is 3.0 per cent lower than the 2015 result of 60.3 per cent. Over the last 10 years, results have fluctuated between a high of 62.4 per cent in 2007 and a low of 54.3 per cent in 2011.

Analysis

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

In recent years, consumer-based physical activity trackers have gained popularity to support individuals to be more physically active and less sedentary throughout the day. In Alberta, 37.8 per cent of adults own an activity tracker, with 21.1 per cent using. Females are more likely to own physical activity trackers and Albertans between 25 to 44 years are most likely to own and use their activity tracker.

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

Desired Outcome Two

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

Overview

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

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

Results

2.1 Develop a suite of programs and services to support tourism entrepreneurs and investment attraction, including shoulder and winter seasons.

The Tourism Entrepreneurship Program helps create a favourable business environment where tourism entrepreneurs are educated on the resources and financial assistance available to them. The ministry continues to refine and expand services available to entrepreneurs interested in starting or growing their tourism business. This year, improvements included: introducing one-on-one business advisory services (e.g., business plan critiquing, helping facilitate access to capital); a tourism entrepreneurship web portal and newsletter; investment attraction and opportunity assessments; business advisory guides and investment opportunities booklets; and research and evaluation of tourism statistics and data for the industry.

In 2016-17, five community Tourism Entrepreneurship Program sessions were undertaken. The ministry also participated in seven industry events throughout the province that showcased its entrepreneurial support services. Through participation at Travel Alberta's Town Halls, an additional 12 presentations

on tourism entrepreneurial support were also delivered. By focusing less on logistics (e.g., venue organizing and invitations) and leveraging community involvement, the ministry was able to increase its reach in terms of services available to communities, entrepreneurs, and operators. Through outreach sessions, ministry staff connected and worked with 116 participants.

In 2016-17, the ministry reviewed the mentorship component of Tourism Entrepreneurship Program to ensure alignment with ministry priorities. As a result, work began on the development of targeted program streams that focus on both sub-sector and community/regional priorities. These included two new support streams expected to be launched in 2017-18 focusing on Indigenous tourism and tourism in the Castle Region.

DID YOU KNOW?

Announced at Travel Alberta's annual industry conference on October 24, 2016, the Alto awards celebrate individuals and organizations that enrich the tourism industry, inspire others and demonstrate what can be achieved by working together.

The 2016 Alto Ambassador Award, sponsored by the Calgary Airport Authority, was presented to Jim Muir, president of Clique Hotels and Resorts and a 25-year leader in Alberta hotels and tourism. Nine other Alto Award winners were also awarded, recognizing individuals and organizations that creatively inspired travellers and colleagues alike.

A team dedicated to supporting international investment attraction in Alberta's tourism industry was formed in June 2016 to encourage international investment into the province. The ministry has collaborated with the Ministry of Economic Development and Trade on two tourism investment focused programs supporting seven international and domestic companies. In addition, approximately 60 companies were provided with services including site visits, introductions to industry representatives or investors, information on tourism trends, and tailored information packages. In collaboration with the Ministry of Economic Development and Trade, the Stampede Investment Forum was launched in July 2016 with two prospective investors actively considering investing in Alberta after completing their second visit to Alberta exploring potential sites for their development.

The ministry is updating and implementing programs and services to support tourism entrepreneurs and to attract both foreign and domestic investment into the tourism industry; and help support destination management/marketing organizations and other tourism industry stakeholders to grow tourism in their communities. This work will be taken forward as a key strategy in the ministry's 2017-20 business plan.

2.2 Lead the development of the Castle Region Tourism Strategy to identify opportunities to support tourism development in the region.

With the creation of the two new Castle parks, and with existing recreational, cultural and heritage attractions, the Castle Region in southwest Alberta has the opportunity to become a new tourism destination in the province, creating jobs and relieving development pressures on existing tourist destinations such as the Bow Valley region. Throughout 2016-17, ministry staff maintained regular contact with staff at the Ministry of Environment and Parks responsible for the designation of the new Castle Parks. Ministry staff presented on the development of a Castle Region Tourism Strategy at the South Saskatchewan Regional Plan sub-table on Indigenous Relations, and a meeting of the Alberta Southwest Regional Alliance in September 2016. The concept of the strategy was also discussed and presented to the Castle Parks Management Plan Working Group. The ministry also worked with and provided funding to the Castle Mountain Community Association for the development of a Resort Master Plan to help identify the resort's potential for growth. As part of the 2017-20 business plan,

the ministry will complete a Castle Region Tourism Strategy to map out a plan for tourism development in the region.

In addition, the ministry helped advance two major infrastructure developments in the Castle region, included in Budget 2017: the paving of Highway 774 and the extension of a water line from Beaver Mines to the new Castle Park and Castle Mountain Resort. These are important infrastructure investments to support the long-term growth of tourism and economic diversification in the region.

2.3 Implement a tourism visitor services strategy to respond to changes in visitor needs and increase the effectiveness of the visitor services program.

A new Visitor Services Model for Alberta was publicly released in January 2017. This new model was developed through research and consultation with providers of visitor services and is intended to inform, inspire, and influence visitors to maximize their travel experiences in Alberta. In support of the new model, the Visitor Services Innovation Fund offers Alberta’s visitor service providers access to funds that support innovation in the delivery of visitor services. The fund supported 18 communities across Alberta in adopting new approaches to visitor service delivery that can expect to improve the visitor servicing experience beginning in 2017.

Alberta’s Visitor Services providers continued to benefit from visitor services training and development through the Spring Training and Showcase and the Alberta Visitor Services Providers annual conference. Both events presented new content on visitor engagement to 245 visitor services frontline staff across 70 communities in Alberta.

2.4 Develop and implement a China Tourism Action Plan to enhance Chinese visitor experiences in Alberta.

With the support of the ministry, Hainan Airlines introduced new non-stop air service between Calgary and Beijing in July 2016. This new air service is key to increasing tourism with China, one of the fastest growing leisure tourism markets in the world.

DID YOU KNOW?

Alberta is a world leader in engaging travellers through social media. Total social engagements for 2016-17 were 15.7 million, a 21.7 per cent increase from 2015-16. Stories came largely from a passionate community of Alberta content creators, from media influencers, and from travellers sharing their authentic experiences in real-time online.

In 2016-17, Travel Alberta worked to redesign consumer websites in nine markets and six languages. In 2016-17, www.travelalberta.com received more than 4.8 million visits world-wide, delivering 2,083,755 lead referrals direct to Alberta partner websites, a 32.9 per cent increase from 2015-16.

The ministry developed and launched the China Readiness Action Plan in March 2016. It brought together key industry partners to undertake a number of immediate, medium and long term actions that will help Alberta to seize economic opportunity increased air access to China can bring. In addition to the two mobile visitor services kiosks operating at the Calgary Airport, a Chinese language kiosk was made available to arriving passengers. These three kiosks engaged 5,436 visiting parties in 2016-17.

China readiness training for the accommodation industry was facilitated and supported by the department at the Alberta Hotel and Lodging Association’s annual conference. China readiness training for other tourism industry operators was developed and

offered through Travel Alberta. As Chinese visitation grows, the ministry continues to offer China market readiness to help industry adapt to this new market opportunity.

2.5 Grow tourism revenues by directing the Alberta tourism brand at high potential markets and segments via Travel Alberta's marketing strategy.

In 2016-17, the ministry continued to improve and enhance the resources and data published in the Alberta Tourism Market Monitor in order to provide industry with the most timely and accurate data. This publication provides information on selected tourism-related indicators, such as accommodation occupancy rates, air passenger traffic, visitation to National Parks, visitation to provincial historic sites, as well as others.

The ministry supported Alberta tourism partners with resources and knowledge leadership to market their products and experiences to help grow their businesses. The visiting friends and relatives study provided in-depth information in order to inform a regional strategy toward visitation. The Québec market potential study provided information on the market potential for leisure visitors from Québec to Alberta. In addition, in an effort to improve the international tourism data obtained from Statistics Canada, the ministry led the undertaking of an International Travel Survey pilot study, in partnership with Destination Canada and nine provincial and territorial tourism partners through the Federal-Provincial/Territorial Tourism Research table.

The ministry, through Travel Alberta's global marketing strategy, is focused on sharing Alberta's story with the world. In 2016-17, marketing activities remained integrated with consumer-direct, travel trade, media relations, meetings, incentives, conventions and events (MICE), and digital and social engagements to reach targeted, high-potential travellers in nine key markets: Canada, United States, United Kingdom, Australia, Japan, Germany, China, Netherlands, and South Korea.

With financial support provided by the department last year, the Conseil de développement économique de l'Alberta began an 18 month project in April 2016, to increase the number of heritage and culture tourism operators in Alberta's Northeast Lakeland region. This initiative builds on the region's rich Francophone history and connections with Aboriginal communities, and provides an opportunity to grow Francophone economic development. The project also aims to complete a pre-feasibility study for introducing the *Economusee* concept to the region in which artisans in the field of fine crafts and/or the agri-food sector open their workshops to the general public for sharing and selling their products.

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

DID YOU KNOW?

The Conseil de développement économique de l'Alberta undertook, with the support of the ministry, a marketing campaign focused on raising awareness of the province and presenting a positive image of Alberta as a travel destination for Québec tourists. Campaign activities ran between April 2016 and March 2017, and included promotional video advertisements in French supported by content from Travel Alberta. It also included a social media campaign geared towards cultural enthusiasts, familiarization tours for Québec based key media influencers, upgrades to the French-language tourism website for Alberta, and the distribution of the French-language travel guide to Québec travel agencies.

DID YOU KNOW?

At the heart of every “goosebump” moment is a passionate Alberta tourism operator.

The ministry supports Alberta tourism partners with strategies and tactics to help grow their businesses and market their experiences.

Travel Alberta’s Training Academy delivers academically sound and practical information for both entry-level and experienced destination marketers. Throughout 2016-17, the organization continued to build educational partnerships and work with training professionals to develop programs and services that were practical and relevant for Alberta’s tourism industry.

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

Travel Alberta’s Cooperative Marketing Investment Program also assists tourism operators in Alberta to enhance their own marketing activities, leverage strategic partnerships to grow their businesses and drive a return on investment. In 2016-17, Travel Alberta allocated \$7.0 million in cooperative marketing funding to support both regional and international-partnered marketing efforts to keep Albertans travelling at home and to inspire visitors from outside our borders.

Travel Alberta leverages an in-depth method of targeting audiences through Destination Canada’s Explorer Quotient™ providing insight into why and how different people like to travel. It identified Free Spirits and Cultural Explorers as primary and secondary target audiences.

These traveller types can be of any age, gender or sexual orientation, and are receptive to marketing/advertising messages, allowing Travel Alberta to drive awareness of Alberta experiences across Canada and around the world.

Through its digital and marketing platforms, Travel Alberta helps industry-led tourism initiatives that include support to Alberta’s Lesbian, Gay, Bisexual, Trans and Queer (LGBTQ) communities. Travelalberta.com provides travellers a resource for planning LGBTQ-friendly travel to Alberta. This includes information on festivals, events, accommodation and entertainment, links to Gay Calgary and Queer Edmonton in addition to up-to-date information about the cities’ events and activities. Travel Alberta also added LGBTQ-related search terms to its search engine marketing program, helping ensure potential travellers searching online for vacations are directed to Travel Alberta’s LGBTQ website information. The content created is linked to Travel Alberta’s web pages providing further resources for LGBTQ travellers.

2.6 Advance the Government of Alberta’s economic diversification priority through the Cultural Industries Action Plan by building capacity through investment attraction and access to new markets including digital media, as well as supporting further development and retention of a highly skilled cultural industries workforce.

The ministry is developing the Cultural Industries Action Plan to inform and guide the direction for cultural industries in Alberta. The plan outlines the overall vision to be a leader in creating cultural entrepreneurs, globally recognized for its cultural content, and an attractive destination for cultural investments. The government is creating a balanced system of supports to enable the cultural industries to become a key contributor to economic diversification, job growth and Alberta’s reputation in the global economy.

In 2016-17, the ministry developed two new grant incentives designed to create jobs through support to post-production, visual effects, digital animation, and interactive digital media sectors. These grant pilot programs were launched in spring 2017.

The Alberta Media Fund provides support to organizations and individuals involved in the screen-based media production, book and magazine publishing and sound recording industries. The Alberta Production Grant provides funding for the creation of screen-based narrative content for both local projects as well as productions that come from outside the jurisdiction (i.e., from another province/territory or country). The production grant currently provides 25 to 30 per cent of eligible project costs, to a maximum of \$5 million per project. Over the last five years, approximately \$140 million has been provided through the Alberta Media Fund to support productions in the province. This funding resulted in \$510 million in direct production expenditures in Alberta.

DID YOU KNOW?

Some of the projects that filmed in Alberta in 2016-17 supported by the Alberta Media Fund include Heartland season ten, Tin Star season one, Wynonna Earp season two and a small unit shoot for Game of Thrones season seven.

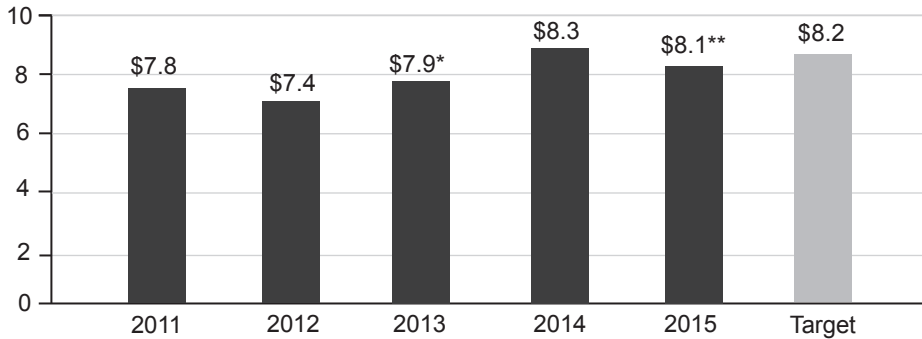
In 2016-17, the Alberta-shot TV series Fargo was nominated for 18 Emmy Awards. In addition to nominations for Best Limited Series, the production received numerous technical nominations recognizing the work of Alberta's crew including make-up, hair and production mixer.

The ministry continued work on a one-year pilot project that launched in 2015-16, supporting job creation, trade development and investment attraction within Alberta's cultural industries. Five support organizations engaged in the pilot to develop programs and initiatives that deliver on the following parameters: support the creation of on-the-job training opportunities for new and emerging professionals to hone skills, network within the cultural industries sector and gain applicable experience and expertise, thereby creating greater potential for job prospects; support the creation of mentorship opportunities aimed at strengthening cultural industries expertise by developing emerging talent and addressing skills gaps; and, improve access to quality training opportunities for interns by matching prospective entrants into the workforce with established businesses. The results of the projects will be reported on in 2017-18.

The ministry, as identified in its 2017-20 business plan, is helping advance the government's economic diversification priority by building capacity through investment attraction and access to new markets, as well as supporting further development and retention of a highly skilled cultural industries workforce. This includes work with the Ministry of Economic Development and Trade on sector-specific initiatives including the Cultural Industries Grant Pilot Program. The grant will provide incentives designed to create jobs and support economic diversification through support to post-production, visual effects, digital animation and interactive digital media.

Performance Measure

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



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

Notes:

* The 2013 result was revised based on final data from Statistics Canada for the International Travel Survey.

** The 2015 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 value of tourism-related expenditures in Alberta. This includes expenditures made in Alberta by visitors from overseas, the United States, other Canadian provinces, and by Albertans. Due to the time lag in receiving data from Statistics Canada, results are for 2015.

Results

The 2015 result was \$8.1 billion. This year, a change was made in how expenditures by international visitors were identified (e.g., international travellers coming directly to Alberta or a different province and travelling to or through Alberta). As such, total expenditures figures are not directly comparable to previous results or to the 2016-17 target of \$8.2 billion.

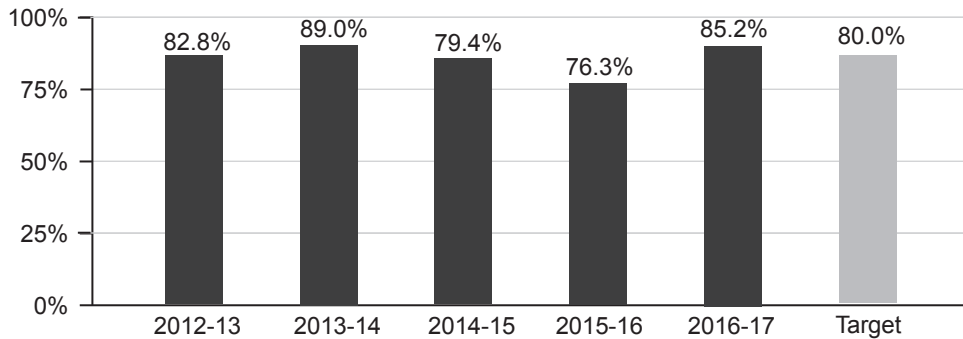
Analysis

In 2015, expenditures by Albertans declined by 6.4 per cent, while expenditures from visitors from the rest of Canada increased by 8.3 per cent. Expenditures by Albertans remain the largest contributor to total tourism expenditures accounting for approximately 58.1 per cent of total expenditures or \$4.7 billion in 2015. Expenditures by other Canadians accounted for approximately 19.1 per cent of total expenditures or \$1.5 billion, with expenditures from Alberta's main domestic feeder markets of British Columbia, Saskatchewan and Ontario increasing by 6.5 per cent, 8.7 per cent and 29.7 per cent respectively. Business travel decreased by 4.3 per cent in 2015. Visitors from the United States and overseas accounted for approximately 22.9 per cent of total expenditures, and spent approximately \$1.9 billion in Alberta.

Travel and tourism is considered a discretionary good, with expenditures closely tied to discretionary income levels and economic conditions. Several key factors also impacted the 2015 result, including the low Canadian dollar, low oil price and increased awareness of Alberta as a result of Travel Alberta brand and marketing efforts, as well as improved air access from select markets in the United States and overseas.

Performance Measure

2.b Percentage of tourism industry clients satisfied with tourism development services



Source: Tourism Division Client Satisfaction Survey

Description

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

Results

The result of 85.2 per cent was 5.2 per cent higher than the 2016-17 target of 80.0 per cent and 8.9 per cent higher than the 2015-16 result.

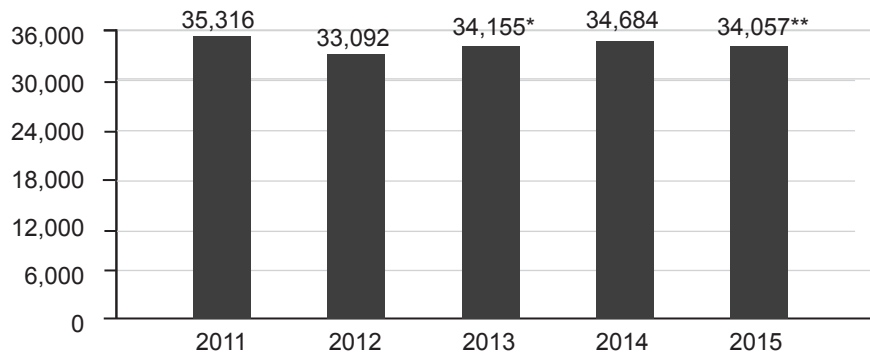
Analysis

Client satisfaction is influenced by several factors such as the frequency of clients' contact and their varying needs, preferences and expectations. Clients often seek funding or investor/developer interest in their projects, which the ministry cannot guarantee. These expectations may result in different experiences and varying levels of satisfaction. In 2016-17, 84.2 per cent of clients responded they were satisfied with the information and advice they had been given and 91.3 per cent thought tourism development services were important in helping industry operators pursue tourism development opportunities.

In 2016-17, the ministry provided support to a range of research and development projects. Examples include projects like the *Quebec Market Potential* and *Visiting Friends and Relatives* to better understand perceptions about Alberta's as a leisure tourism destination, the nature and size of the markets, as well as ways to promote and support it. Development projects like the fourth annual Alberta Open Farm Days were supported and continued to increase operator and visitor participation. As were winter sporting events such as the Ski Tour du Canada and Biathlon in order to better understand the economic contributions of these events to their communities. The Tour of Alberta and Edmonton's hosting of the International Triathlon Union continued to provide a spectacle for both Albertans and visitors, and sponsorship of the Alberta Bikes Conference brought together partners and stakeholders for engaging dialogue in developing cycle tourism in the province. In support of industry development, the ministry continued to deliver the Tourism Entrepreneurship Program and ensured tourism industries are supported by the Alberta Jobs Plan's tax credit programs, providing capital support to new and expanding tourism companies in the province. The ministry also participated in the Stampede Investment Forum which promotes Alberta as a destination for foreign capital and direct investment.

Performance Indicator

2.a Tourism visitation (thousands of person-visits)



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

Notes: Performance indicators show progress toward achievement of outcomes that the ministry does not have direct influence on. As such, no target is presented.

* The 2013 result was revised based on final data from Statistics Canada for the International Travel Survey.

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

Description

This indicator identifies the annual volume of all tourism-related visitations in Alberta including visitation by Albertans, residents of Canada from other provinces, overseas visitors, and visitors from the United States. Due to the time lag in receiving data from Statistics Canada, results are for 2015.

Results

The 2015 result was 34,057 million person-visits. This year, a change was made in how visitation by international visitors were identified (e.g., international travellers coming directly to Alberta or a different province and travelling to or through Alberta). As such, total visitation figures are not directly comparable to previous results. In 2015, approximately 28.9 million person-visits were made by Albertans in Alberta, 3.4 million by other Canadians and approximately 1.8 million visitors from the United States and overseas.

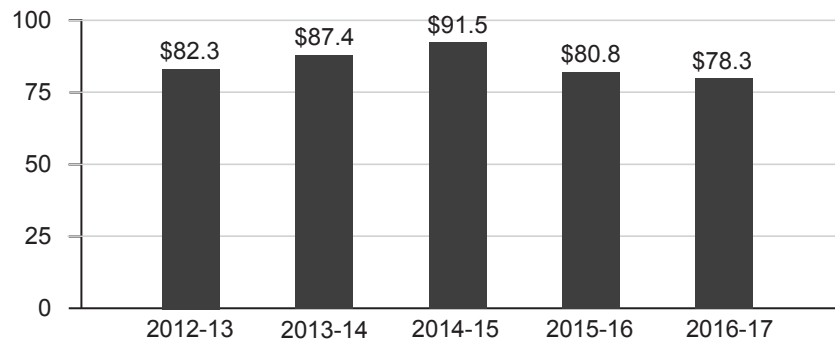
Analysis

Overall, tourism visitation by Albertans declined by 2.9 per cent in 2015, compared to 2014, while tourism visitation from the rest of Canada (excluding Alberta) increased by 4.6 per cent. Visitation from Alberta's main feeder markets of British Columbia, Saskatchewan and Ontario all increased by 14.7 per cent, 13.5 per cent and 28.2 per cent respectively.

Travel to see friends and family is the most common type of trip taken by Albertans and other Canadians, followed by travelling for pleasure and travelling for business purposes. Overnight person-visits for the main purpose of business were adversely affected by economic conditions although leisure travel showed resiliency. Other tourism indicators show occupancy rates and average daily room rates in Alberta's mountain resort region hit record highs. In 2015, total overnight person-visits to Alberta from domestic markets for the main purpose of leisure and visiting friends and relatives accounted for 35.9 per cent and 46.6 per cent of domestic visitation respectively, for business purposes 11.0 per cent of visitation, and 6.5 per cent visiting for other purposes.

Performance Indicator

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



Source: Alberta Treasury Board and Finance

Note: Performance indicators show progress toward achievement of outcomes that the ministry does not have direct influence on. As such, no targets are presented.

Description

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

Results

The 2016-17 result of \$78.3 million was \$2.5 million lower than the 2015-16 result.

Analysis

The tourism levy reflects movements in both the price of accommodation in Alberta and the number of visitors using these accommodations for tourism, commercial and personal reasons. In 2016-17, the average occupancy rate at accommodations in Alberta (excluding resorts) was 52.6 per cent, a decrease of 5.9 per cent from 2015, and the average daily room rate decreased by 5.1 per cent. At Alberta resorts, the occupancy rate increased by 1.0 per cent to 63.7 per cent in 2016-17, and the average daily room rate increased by 8.0 per cent.

Calgary International Airport experienced growth of 1.0 per cent in the total number of passengers enplaning or deplaning in 2016-17. The number of domestic passengers increased by 0.5 per cent, the number of trans border passengers decreased by 0.9 per cent and the number of international (overseas) passengers increased by 8.7 per cent. Edmonton International Airport experienced a decline of 2.3 per cent in overall air passenger traffic.

Performance Measures Methodology

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

(Measure: 1.a)

The Client Satisfaction Survey was conducted from April 1, 2016 to March 31, 2017 by the Community Engagement Branch. Survey respondents are clients who receive customized facilitation services. Clients are community leaders, members of organizations or representatives of government. Only projects completed during the fiscal year are counted in the survey, even if the project was started in a prior year. There were 3,266 surveys distributed and 2,983 surveys returned resulting in a response rate of 91.3 per cent. The margin of error is +/- 0.5 per cent, 19 times out of 20.

Survey of Albertans

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

The Survey of Albertans is a provincewide telephone survey of adult Albertans conducted by the ministry. The survey was undertaken by an independent research firm that conducted and collected 1,000 responses using a random sample stratified by age group, gender and geographic location to be representative of Alberta's population. The landline sample was drawn randomly from the most recent residential phone listings of Alberta and the wireless sample was drawn randomly from the most recent working cell phone lists. Albertans were asked questions on topics such as the arts, volunteerism, heritage, tourism, recreation and participation in organized sport in the past year. Interviews were conducted from January 26 to February 23, 2017, by trained and experienced interviewers. At least 10.0 per cent of all coding was independently reviewed for quality assurance. The response rate for the survey was 20.1 per cent and the margin of error at +/- 3.1 per cent, 19 times out of 20. The final survey presentation report can be accessed from the ministry website (www.culturetourism.alberta.ca).

Canadian Community Health Survey

(Measure: 1.f)

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

Charitable donations

(Indicator: 1.a)

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

Alberta Survey on Physical Activity

(Indicator: 1.d)

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

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

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

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

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

The 2015 result is not directly comparable to previous results due to change in how expenditures by international visitors were identified. This year, all provinces and territories jointly made a decision to use only direct information from the International Travel Survey for the 2015 reference year, due to the travel and trip detail available from the survey. In previous years, data management and harmonization procedures were applied to the International Travel Survey data to better identify expenditures by international visitors. In 2016-17, Alberta led a Canada-wide cross-provincial pilot project to improve the information available about international tourism. Discussions are also underway with Statistics Canada on how to better collect data on international tourism for future years.

The 2013 result was revised based on final data from Statistics Canada for the International Travel Survey.

Tourism Division Client Satisfaction Survey

(Measure: 2.b)

The Client Satisfaction Survey is conducted with public and private sector representatives who had received tourism development information, advice and assistance from the Tourism Division. An independent research company conducted the survey and was responsible for reviewing the survey and questionnaire design, data quality control, analysis and report preparation. Respondents were given the

choice of completing the survey online or by telephone. The self-complete web-based survey was active from April 13 to May 7, 2017, while telephone surveys were conducted from April 17 to May 7, 2017. A total of 133 completed surveys were used to produce the result. The response rate for the survey was 43.6 per cent and the margin of error is +/- 6.4 per cent, 19 times out of 20.

Alberta's Tourism Levy

(Indicator: 2.b)

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

Financial Summary

Results of Operations (millions of dollars)

	2016-17 Budget	2016-17 Actual	Variance under/ (over)
Total Revenue	\$26.2	\$23.8	\$2.4
Expenses Operating	\$342.9	\$346.3	\$(3.4)
Net Operating Results	\$(316.7)	\$(322.5)	\$(5.8)
Capital Investment	\$2.7	\$2.5	\$0.2

Revenues were \$2.4 million lower than budget. The largest variance was in the Other Revenue category, which was \$3.9 million under budget, mainly due to lower than anticipated rental revenue from performances at the Jubilee Auditoria, cost recovery programs at museums and historic sites, and lower than budgeted donations in the ministry. This lower revenue was partially offset by higher than budgeted Premiums, Fees and Licences, \$1.6 million higher than budget.

Expenses were \$3.4 million higher than budget. Most of the variance is due to a one time valuation adjustment of \$10 million that was processed to increase the liability for contaminated sites. This was offset by ministry cost containment measures and saving initiatives.

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

Revenue Highlights (millions of dollars)

	2016-17 Budget	2016-17 Actual	2015-16 Actual (restated)
Internal Government Transfers	\$0.1	\$0.1	\$0.1
Transfers from the Government of Canada	\$1.1	\$1.2	\$1.3
Investment Income	\$0.7	\$0.5	\$0.7
Premiums, Fees and Licences	\$5.9	\$7.5	\$7.1
Other Revenue	\$18.4	\$14.5	\$16.0
Total Revenue	\$26.2	\$23.8	\$25.2

Revenues totalled \$23.8 million in 2016-17, a decrease of \$1.4 million from 2015-16.

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

Transfers from the Government of Canada included:

- \$0.8 million for the Francophone Secretariat to support French language projects across the province; and
- \$0.4 million to the Alberta Sport Connection to encourage youth and under-represented populations to actively participate in sport, and to encourage physical literacy.

Investment income in the ministry's funds and agencies amounted to \$0.5 million.

Premiums, Fees and Licences are primarily fees for film classification and admission to museums and heritage sites, with smaller amounts coming from charges such as conferences and events. Overall, Premiums, Fees and Licences totalled \$7.5 million in 2016-17, an increase of \$0.4 million from the prior year and \$1.6 million over budget.

Other Revenue totalled \$14.5 million. This amount represents a decrease of \$1.5 million from 2015-16, mainly due to lower sales and rentals at Historic Sites and Museums and the Jubilee Auditoria compared to prior year. The Other Revenue category includes donations, sales, rental revenues, refunds of expenses and other miscellaneous revenues.

Expense Highlights (millions of dollars)

	2016-17 Budget	2016-17 Actual	2015-16 Actual (restated)
Creative Industries	\$74.9	\$77.4	\$81.9
Community and Voluntary Support Services	\$98.6	\$96.5	\$86.2
Francophone Secretariat	\$1.3	\$1.4	\$1.3
Heritage	\$55.5	\$64.0	\$53.3
Recreation and Physical Activity	\$29.3	\$28.3	\$29.4
Tourism	\$62.1	\$62.0	\$67.7
2013 Alberta Flooding	\$6.0	\$2.7	\$1.9
Ministry Support Services	\$15.2	\$14.0	\$15.6
Climate Leadership Plan			
Total Expenses	\$342.9	\$346.3	\$337.3

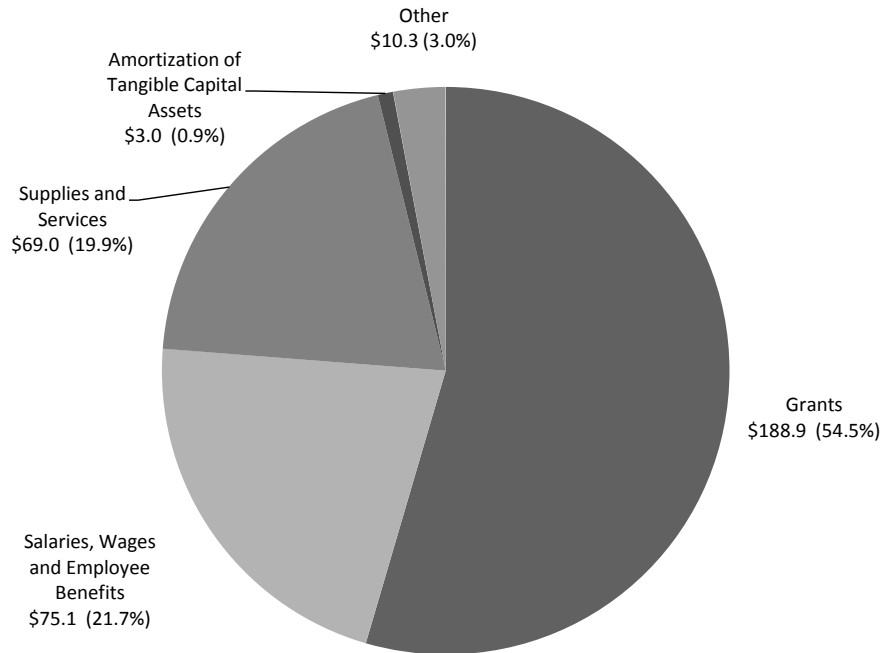
Expenses totalled \$346.3 million, reflecting increases of \$3.4 million from budget 2016-17, and \$9 million from 2015-16 actuals.

The increase in expenses from 2015-16 is partially due to new support for cultural infrastructure grant payments for the Calgary Zoo Expansion of \$3.4 million, as well as \$3.6 million for the Fort Edmonton Park Expansion. Additionally, 2016-17 saw an increase in grant funding through the community grants programs of over \$2 million. There was also a \$10 million valuation adjustment for liabilities for contaminated sites. This adjustment was required for remediation work at the Turner Valley Gas Plant. These increases are offset by expense decreases of \$5.7 million in Tourism, including a reduction of \$5 million in the assistance to Travel Alberta, and \$4.5 million in Creative Industries, mainly due to lower expenses in Alberta Media Fund grants.

Compared with Budget 2016-17, expenses were \$3.4 million higher than budgeted. This was due largely in part to the \$10 million valuation adjustment expense that was processed to increase the liability for contaminated sites, offset by cost containment measures and saving initiatives implemented during 2016-17, which lowered actual expenses throughout the ministry.

Ministry Operating Expense by Object (millions of dollars)

OPERATING EXPENSE BY OBJECT - \$346.3



The Ministry's largest operating expense was grants, comprising 54.5 per cent of total operating expense. In 2016-17, \$188.9 million was provided to support individuals, organizations and communities through grant programs.

Expenditures for salaries, wages and employee benefits totalled \$75.1 million (21.7 per cent) and were primarily to manage heritage facilities, support community groups and administer grant programs.

Supplies and services of \$69.0 million (19.9 per cent) included contracts for the development of Alberta as a tourism destination and related tourism products and marketing, in addition to ongoing supply requirements. The remainders of ministry expenses were classified as amortization of capital assets (\$3 million) and other expenses (\$10.3 million), which includes a valuation adjustment for contaminated sites of \$10 million.

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Ministry of Culture and Tourism

Consolidated Financial Statements

March 31, 2017

**Ministry of Culture and Tourism
Consolidated Financial Statements
March 31, 2017**

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Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Culture and Tourism, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Culture and Tourism as at March 31, 2017, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 1, 2017

Edmonton, Alberta

Ministry of Culture and Tourism
Consolidated Statement of Operations
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual (Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 80	\$ 95	\$ 52
Federal Government Grants	1,088	1,211	1,288
Premiums, Fees and Licences	5,928	7,497	7,112
Investment Income	743	478	697
Other	18,408	14,552	16,013
	26,247	23,833	25,162
Expenses – Directly Incurred (Note 2(c) and Schedules 3 and 5)			
Ministry Support Services	15,172	13,986	15,599
Community and Voluntary Support Services	98,576	96,440	86,204
Creative Industries	74,935	77,415	81,863
Francophone Secretariat	1,310	1,426	1,279
Heritage	55,469	64,025	53,381
Recreation and Physical Activity	29,344	28,344	29,386
Tourism	62,056	62,010	67,704
2013 Alberta Flooding	6,025	2,671	1,932
Climate Leadership Plan	-	9	-
	342,887	346,326	337,348
Annual Deficit	\$ (316,640)	\$ (322,493)	\$ (312,186)

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

Ministry of Culture and Tourism
Consolidated Statement of Financial Position
As at March 31, 2017
(in thousands)

	2017	2016
		(Note 3)
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 46,740	\$ 43,070
Accounts Receivable (Note 5)	1,710	1,829
Inventories for Resale	556	508
	49,006	45,407
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	31,869	35,903
Deferred Revenue (Note 8)	2,344	2,421
Liabilities for Contaminated Sites (Note 9)	16,879	7,206
	51,092	45,530
Net Debt	(2,086)	(123)
Non-Financial Assets		
Tangible Capital Assets (Schedule 6)	20,753	22,154
Prepaid Expenses	96	41
	20,849	22,195
Net Assets	18,763	22,072
Net Assets at Beginning of Year	22,072	8,518
Adjustments to Net Assets (Note 11)	(924)	(1,444)
Annual Deficit	(322,493)	(312,186)
Net Financing Provided from General Revenues	320,108	327,184
Net Assets at End of Year	\$ 18,763	\$ 22,072

Contingent Liabilities and Contractual Obligations (Notes 10 and 12)

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

Ministry of Culture and Tourism
Consolidated Statement of Change in Net Debt
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual (Note 3)
Annual Deficit	\$ (316,640)	\$ (322,493)	\$ (312,186)
Acquisition of Tangible Capital Assets (Schedule 6)	(2,706)	(2,545)	(3,242)
Amortization of Tangible Capital Assets (Schedule 6)	3,248	3,000	2,762
Loss on Sale of Tangible Capital Assets		109	493
Proceeds on Sale of Tangible Capital Assets		13	-
Grants in Kind for Tangible Capital Assets		-	432
Change in Prepaid Expenses		(55)	114
Transfer of Deferred Revenue to Alberta Environment and Parks		132	-
Transfer of Cash to Alberta Environment and Parks		(232)	-
Net Financing Provided from General Revenue		320,108	327,184
(Increase) Decrease in Net Debt		(1,963)	15,557
Net Debt at Beginning of Year		(123)	(15,680)
Net Debt at End of Year		\$ (2,086)	\$ (123)

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

Ministry of Culture and Tourism
Consolidated Statement of Cash Flows
Year Ended March 31, 2017
(in thousands)

	2017	2016 (Note 3)
Operating Transactions		
Annual Deficit	\$ (322,493)	\$ (312,186)
Non-cash Items Included in Net Operating Results		
Write-down of Inventory	-	13
Grants in Kind	-	432
Amortization of Tangible Capital Assets (Schedule 6)	3,000	2,762
Loss on Disposal of Tangible Capital Assets	109	493
Deferred Revenue Recognized as Revenue (Note 8)	(638)	(777)
	(320,022)	(309,263)
Decrease in Accounts Receivable	119	262
(Increase) Decrease in Inventories for Resale	(48)	233
(Decrease) Increase in Prepaid Expenses	(55)	114
(Decrease) in Accounts Payable and Accrued Liabilities	(4,034)	(18,714)
Increase (Decrease) in Liabilities for Contaminated Sites	9,673	(411)
Deferred Revenue Received (Note 8)	693	611
	(313,674)	(327,168)
Cash (Applied to) Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 6)	(2,545)	(3,242)
Proceeds on Sale of Tangible Capital Assets	13	-
	(2,532)	(3,242)
Cash (Applied to) Capital Transactions		
Financing Transactions		
Transfer of Cash to Alberta Environment and Parks	(232)	-
Net Financing Provided from General Revenues	320,108	327,184
	319,876	327,184
Cash Provided from Financing Transactions		
Increase (Decrease) in Cash and Cash Equivalents	3,670	(3,226)
Cash and Cash Equivalents at Beginning of Year	43,070	46,296
Cash and Cash Equivalents at End of Year	\$ 46,740	\$ 43,070

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 1 Authority and Purpose

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

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

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

(a) Reporting Entity

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

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(a) Reporting Entity (continued)

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

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

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

(b) Basis of Consolidation

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

(c) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

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

Government Transfers

Transfers from the Government of Alberta, federal and other governments are referred to as government transfers.

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

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(c) Basis of Financial Reporting (continued)

Revenues (continued)

Deferred Revenue

Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Credit or Recovery

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

Investment Income

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

Expenses

Directly Incurred

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

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

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

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(c) Basis of Financial Reporting (continued)

Expenses (continued)

Incurring by Others

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

Valuation of Financial Assets and Liabilities

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

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

Financial Assets

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

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Inventories for Resale

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(c) Basis of Financial Reporting (continued)

Liabilities

Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Liabilities for Contaminated Sites

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

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

Non-Financial Assets

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

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

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(c) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

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

Contributed tangible capital assets are recognized at their fair value at the time of contribution.

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

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

Assets acquired by right are not included.

Prepaid Expenses

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

Artworks and Collections

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(c) Basis of Financial Reporting (continued)

Net Assets/Net Debt

Endowments

Donations, government transfers, and non-government contributions that must be maintained in perpetuity are included in Financial Assets and Net Assets in the Consolidated Statement of Financial Position. Realized gains and losses attributable to portfolio investments that also must be maintained in perpetuity are also recognized as a direct increase and decrease respectively in endowment net assets when received or receivable.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Liabilities for contaminated sites are recognized in the amount of \$16,879 (2016 – \$7,206) for Heritage, based on management's best estimates that reflect the environmental information known at the time. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

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

(d) Future Accounting Changes

The Public Sector Accounting Board issued these following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
The Ministry has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 3 Dissolution of Related Entities
(in thousands)

Effective April 1, 2016, the Wild Rose Foundation (WRF) and the Government House Foundation (GHF) were dissolved as per the Agencies, Boards and Commissions Review Statutes Amendment Act, which came into force December 9, 2016. GHF's collections, liabilities and obligations have been transferred to the Department of Culture and Tourism.

The WRF and the GHF ceased separate operations last fiscal year and consequently had no revenue, expenses or transactions in the fiscal year 2016-17, therefore no financial statements were produced for these two dissolved Foundations in 2016-17.

Note 4 Cash and Cash Equivalents
(in thousands)

	2017	2016
Unrestricted Cash	\$ 32,003	\$ 28,720
Externally Restricted Cash	1,805	1,877
Internally Restricted Cash	12,488	12,030
Total	46,296	42,627
 Endowment Funds	 444	 443
Total	\$ 46,470	\$ 43,070

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

The portfolio is comprised of high-quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2017, securities held by CCITF have a time-weighted return of 0.9% (2016 – 0.8%) per annum.

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

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 5 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2017		2016	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1,710	\$ -	\$ 1,710	\$ 1,829

Note 6 Endowments
(in thousands)

The composition of Endowments is as follows:

	2017	2016
Balance, Beginning of Year	\$ 443	\$ 443
Endowment Contributions	1	-
Balance, End of Year	\$ 444	\$ 443

The Endowment Fund is made up of contributions by the Ministry \$205 (2016 - \$205) and Third Party \$239 (2016 - \$238). These funds are held until perpetuity and earn interest based on the CCITF time-weighted return of 0.9% per annum (2016 – 0.8% per annum).

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

The Endowments were designed to help sport development in Alberta.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2017	2016
Accounts Payable and Accrued Liabilities	\$ 31,869	\$ 35,903
	\$ 31,869	\$ 35,903

Note 8 Deferred Revenue
(in thousands)

	2017	2016
Unearned Revenue (a)	\$ 457	\$ 343
Deferred Contributions (b)	1,887	2,078
	\$ 2,344	\$ 2,421

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

	2017	2016
Balance, Beginning of Year	\$ 343	\$ 464
Received/Receivable During Year	551	497
Less Amounts Recognized as Revenue	(437)	(618)
Balance, End of Year	\$ 457	\$ 343

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

	2017	2016
Balance, Beginning of Year	\$ 2,078	\$ 2,123
Received/Receivable During Year	142	114
Less Amounts Transferred to Alberta Environment and Parks	(132)	-
Less Amounts Recognized as Revenue	(201)	(159)
Balance, End of Year	\$ 1,887	\$ 2,078

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 9 Liabilities for Contaminated Sites
(in thousands)

The composition of liabilities is as follows:

	2017	2016
Liabilities at Beginning of Year	\$ 7,206	\$ 7,617
Additions to Liabilities During the Year	10,000	-
Remediation Work Performed	(327)	(411)
Liabilities at End of Year	\$ 16,879	\$ 7,206

The Ministry has accepted responsibility and is performing remediation work at three provincial historic sites (Turner Valley Gas Plant, Greenhill Mine and Bitumount) which have remnants of industrial activity that occurred prior to present day reclamation standards and guidelines. The current remediation plan covers activities for the next few years to ensure that the sites meet current regulatory standards for the environment and public health. The liability estimates are based on costs incurred in previous years, on consultants' reports and preliminary cost estimates, and on forecasting anticipated project costs in years to come. The anticipated timing of future expenditures is \$942 in 2017-18, \$5,882 in 2018-19, \$3,850 in 2019-20 and \$6,205 onwards.

Note 10 Contingent Liabilities
(in thousands)

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

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. The Department has been named in one (2016 - two) claim of which the outcome is not determinable. The (2016 - two) claim has no amount specified.

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

Note 11 Adjustments to Net Assets
(in thousands)

The reconciliation of adjustments to net assets is as follows:

	2017	2016
Non-Grant Transfer of Tangible Capital Assets (to) other ministries	\$ (824)	\$ (1,315)
Transfer of Net Assets to other Government Entities	(100)	(129)
	\$ (924)	\$ (1,444)

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 12 Contractual Obligations
(in thousands)

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

	2017	2016
Grants	\$ 106,750	\$ 85,804
Service Contracts	61,525	55,024
Operating Leases	2,965	4,411
Capital Construction	50	-
	\$ 171,290	\$ 145,239

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

	Grants	Service Contracts	Operating Leases	Capital Construction	Total
2017-18	\$ 70,731	\$ 52,710	\$ 1,036	\$ 50	\$ 124,527
2018-19	34,929	6,927	1,022	-	42,878
2019-20	784	1,052	906	-	2,742
2020-21	254	775	1	-	1,030
2021-22	26	4	-	-	30
Thereafter	26	57	-	-	83
	\$ 106,750	\$ 61,525	\$ 2,965	\$ 50	\$ 171,290

Note 13 Benefit Plans
(in thousands)

The Ministry 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 \$7,076 for the year ended March 31, 2017 (2016 – \$8,646). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of \$402,033 (2015 – surplus \$299,051), the Public Service Pension Plan reported a surplus of \$302,975 (2015 – deficiency \$133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$50,020 (2015 – deficiency \$16,305).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported an actuarial surplus of \$101,515 (2016 – surplus \$83,006) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$31,439 (2016 – surplus \$29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

Ministry of Culture and Tourism
Notes to the Consolidated Financial Statements
March 31, 2017

Note 14 Trust Funds
(in thousands)

The Ministry is the beneficiary of a trust fund that is administered by the Royal Trust Corporation of Canada over which the Ministry has no power of administration or appropriation. Because the province had no equity in the fund and was only the beneficiary of the income portion of the fund, it was not included in the Ministry's financial statements.

On March 30, 2017, Peaceful Valley and its related net assets were transferred to Alberta Environment and Parks (AEP). As this trust fund is restricted for the maintenance and expansion of Peaceful Valley, the Trust Fund was also transferred to AEP.

Note 15 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 16 Approval of Consolidated Financial Statements

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

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Consolidated Revenues
Year Ended March 31, 2016
(in thousands)

	2017		2016
	Budget	Actual	Actual (Note 3)
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	\$ 80	\$ 95	\$ 52
Federal Government Grants			
Canada – Alberta Cooperation			
Agreement on French Language			
Services	650	764	650
Other	438	447	638
	1,088	1,211	1,288
Premiums, Fees and Licences			
Admission Fees	5,140	6,268	5,736
Film Classification	600	741	764
Lands and Grazing	-	28	24
Other	188	460	588
	5,928	7,497	7,112
Investment Income			
Interest	743	478	697
Other Revenue			
Sales	3,671	3,896	4,806
Rental Revenue	4,791	3,340	4,095
Recoveries	3,710	1,356	1,273
Donations and Contributions in Kind	4,389	2,531	2,008
Prior Year Refunds of Expenses	572	596	944
Other	1,275	2,833	2,887
	18,408	14,552	16,013
Total Revenues	\$ 26,247	\$ 23,833	\$ 25,162

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Credit or Recovery
Year Ended March 31, 2017
(in thousands)

	Authorized ⁽¹⁾	Actual Revenue Recognized ⁽²⁾	(Shortfall) / Excess
Royal Alberta Museum ⁽³⁾	\$ 1,120	\$ 1,066	\$ (54)
Francophone Secretariat ⁽⁴⁾	765	764	(1)
	<u>\$ 1,885</u>	<u>\$ 1,830</u>	<u>\$ (55)</u>

- (1) Treasury Board Minutes No.5/2016 approves an increase of \$120 in the recoveries for the Royal Alberta Museum under the Expense vote of Culture and Tourism. Treasury Board Minutes No.2/2017 approves an increase of \$115 in the credit or recoveries for Francophone Secretariat.
- (2) Revenues from Credit or Recovery initiatives are included in the Ministry's revenues in the Consolidated Statement of Operations and Schedule 1.
- (3) Funding from the Alberta Biodiversity Monitoring Institute for specimen sorting, identification, and storage which assists in assessing the impact of land management practices on biodiversity.
- (4) 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.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Expenses – Directly Incurred Detailed By Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual (Note 3)
Grants	\$ 183,605	\$ 188,905	\$ 184,629
Salaries, Wages and Employee Benefits	76,642	75,119	72,865
Supplies and Services	78,645	68,633	75,654
Amortization of Tangible Capital Assets	3,248	3,000	2,762
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	32	58	212
Inventory Consumption	650	302	565
Other	65	10,309	661
	\$ 342,887	\$ 346,326	\$ 337,348

⁽¹⁾ The Ministry receives Information Technology Infrastructure Management Services from the Ministry of Treasury Board and Finance, and administrative services from the Ministry of Alberta Environment and Parks.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

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

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

Related parties also include:

- Two private companies which have a significant shareholder acting as a director and officer who has served as a Director of Travel Alberta since April 1, 2013 and ended his Director term on September 30, 2016.
- One of the private companies provides printing services to Travel Alberta amounting to \$13 up to September 30, 2016 (2016 - \$48). These services are provided on normal commercial terms which represent fair value.
- The other private company holds a long term lease with Travel Alberta for its Calgary office premises. Travel Alberta entered into the lease contract in September 2009 and paid \$500 up to September 30, 2016 (2016 - \$946) pursuant to the lease terms. The lease is based on normal commercial terms and the lease terms represented fair value at the inception of the lease.
- A globally integrated enterprise which has one of its Canadian executives serving as a Director of Travel Alberta since April 1, 2013 and who retired from her executive position on July 31, 2016.
- The enterprise provides IT services to Travel Alberta amounting to \$78 up to July 31, 2016 (2016 - \$1,015). These services are provided on normal commercial terms which represent fair value.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

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

	<u>2017</u>	<u>2016</u>
Revenues		
Alberta Heritage Scholarship Fund	\$ 55	\$ 52
Other Revenue	50	21
	<u>\$ 105</u>	<u>\$ 73</u>
Expenses – Directly Incurred		
Grants	\$ 4,094	\$ 4,584
Other Services	3,438	4,732
	<u>\$ 7,532</u>	<u>\$ 9,316</u>
Tangible Capital Assets Transferred (to)	<u>\$ (293)</u>	<u>\$ (1,444)</u>
Payable to	<u>\$ 685</u>	<u>\$ 644</u>
Receivable from	<u>\$ 13</u>	<u>\$ 19</u>
Contractual Obligations	<u>\$ 3,792</u>	<u>\$ 5,316</u>

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

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recognized in the consolidated financial statements but are disclosed in Schedule 5.

	2017	2016
Expenses – Incurred by Others		
Accommodation	\$ 46,151	\$ 45,655
Legal Services	222	242
Business Services	2,642	2,641
	\$ 49,015	\$ 48,538

Ministry of Culture and Tourism
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2017
(in thousands)

Program	2017				2016	
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Business Services ⁽⁴⁾	Total Expenses	Total Expenses
Ministry Support Services	\$ 13,986	\$ 854	\$ 54	\$ 421	\$ 15,315	\$ 16,908
Community and Voluntary Support Services	96,440	883	20	360	97,703	87,464
Creative Industries	77,415	10,133	21	228	87,797	92,127
Francophone Secretariat	1,426	47	8	21	1,502	1,343
Heritage	64,025	33,041	90	1,221	98,377	87,431
Recreation and Physical Activity	28,344	625	25	213	29,207	30,224
Tourism	62,010	568	4	178	62,760	68,457
2013 Alberta Flooding	2,671	-	-	-	2,671	1,932
Climate Leadership Plan	9	-	-	-	9	-
	\$ 346,326	\$ 46,151	\$ 222	\$ 2,642	\$ 395,341	\$ 385,886

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

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

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

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

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2017
(in thousands)

	2017				2016	
	General Capital Assets		Infrastructure Assets			
	Equipment ⁽¹⁾	Computer Hardware and Software	Land	Improvements	Land	Total
Estimated Useful Life	3-10 years	5-8 years	Indefinite	40 years		
Historical Cost ⁽²⁾						
Beginning of Year	\$ 28,988	\$ 9,048	\$ 5,854	\$ 2,758	\$ 46,648	\$ 46,042
Additions	2,455	90	-	-	2,545	3,242
Disposals, Including Write-Downs	(588)	-	-	(49)	(637)	(1,192)
Transfers to Others ⁽³⁾	(421)	(13)	(661)	(243)	(1,338)	(1,444)
	<u>\$ 30,434</u>	<u>\$ 9,125</u>	<u>\$ 5,193</u>	<u>\$ 2,466</u>	<u>\$ 47,218</u>	<u>\$ 46,648</u>
Accumulated Amortization						
Beginning of Year	\$ 17,644	\$ 6,082	\$ -	\$ 768	\$ 24,494	\$ 21,999
Amortization Expense	2,073	817	-	110	3,000	2,762
Effect of Disposal	(488)	-	-	(27)	(515)	(267)
Transfers to Others ⁽³⁾	(389)	(13)	-	(112)	(514)	-
	<u>\$ 18,840</u>	<u>\$ 6,886</u>	<u>\$ -</u>	<u>\$ 739</u>	<u>\$ 26,465</u>	<u>\$ 24,494</u>
Net Book Value at March 31, 2017	<u>\$ 11,594</u>	<u>\$ 2,239</u>	<u>\$ 5,193</u>	<u>\$ 1,727</u>	<u>\$ 20,753</u>	
Net Book Value at March 31, 2016	<u>\$ 11,344</u>	<u>\$ 2,966</u>	<u>\$ 5,854</u>	<u>\$ 1,990</u>	<u>\$ 22,154</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, 2017 totalling \$2,041 (2016 - \$2,333) comprised of: equipment \$2,006 (2016 - \$1,913); computer hardware and software \$35 (2016 - \$399); and land improvements nil (2016 - \$21)

⁽³⁾ Transfers includes: transfer of land and land improvement from Alberta Sport Connection to Alberta Environment and Parks at a net book value of \$792; transfer of equipment from Historic Resources Fund to Alberta Infrastructure at a net book value of \$46; transfer of equipment from the Department of Culture and Tourism to Alberta Infrastructure at a net book value of \$15; transfer of equipment from the Department of Treasury Board and Finance to the Department of Culture and Tourism at a net book value of \$29; transfer of computer hardware and software to the Department of Infrastructure at a net book value of Nil.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Artworks and Collections
Year Ended March 31, 2017
(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 2,123,000 natural history specimens, 154,900 ethnological and historical artifacts, and millions of archaeological objects spanning 10,000 years of Alberta history. The collections include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, art, textile collections and archaeological materials recovered in Alberta through Historic Resources Impact Assessments. All collections include associated documentation and, in many cases, images and other media.
- (b) The Royal Alberta Museum also is responsible for managing approximately 81,470 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 paleontological materials recovered in Alberta through Historic Resource Impact Assessments. The Royal Tyrrell Museum is also responsible for one paleontological site in southern Alberta and one geological site in central Alberta.
- (d) The Historic Sites and Museums Branch preserves and presents Alberta's history at two museums (Reynolds-Alberta Museum and Remington Carriage Museum), three interpretive centres (Oil Sands Discovery Centre, Head-Smashed-In Buffalo Jump and Frank Slide Interpretive Centre), seven developed historic sites (Leitch Collieries, Stephansson House, Victoria Settlement, Brooks Aqueduct, Father Lacombe Chapel, Fort George and Buckingham House, and Historic Dunvegan), one developed historic site leased to a society (Lougheed House), one developed site leased from the University of Alberta (Rutherford House), and one historic site currently under development (Turner Valley Gas Plant).

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Artworks and Collections
Year Ended March 31, 2017
(Unaudited)

- (e) The Reynolds-Alberta Museum is responsible for approximately 6,500 agricultural, industrial and transportation artifacts. This includes 465 cars, trucks and motorcycles; 365 tractors and engines; 395 agricultural machines and 467 industrial artifacts. Also included are 101 vintage aircraft, the second largest collection in Canada. The museum houses over 850 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 305 carriages, buggies, wagons and sleighs, and approximately 760 associated small artifacts.
- (g) The Ukrainian Cultural Heritage Village contains 60 historical buildings that document Ukrainian settlement in east-central Alberta from 1892 to 1930. Structures include a grain elevator, sod house, blacksmith shop, farm buildings and churches.
- (h) The Historic Resources Management Branch is responsible for eight undeveloped historic sites, two developed historic sites, two developed sites leased to non-government entities, 13 cairns, and six archaeological sites.
- (i) The Heritage Division is also responsible for approximately 1,900 hectares of historically-significant land.
- (j) The Provincial Archives of Alberta holds approximately 53,700 linear metres of government textual records; 4,540 linear metres of private records; 154,330 maps, plans and drawings; 1,845,935 photographic images; 71,835 objects of audiovisual holdings such as film, video and audio recordings; and 14,825 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 (2016 – 17 prints) of the Waterfowl North America Collection #1250 with an approximate value of \$5,000.

Ministry of Culture and Tourism
Schedule to the Consolidated Financial Statements
Artworks and Collections
Year Ended March 31, 2017
(Unaudited)

- (n) The Government House actively collects various significant items pertaining to the history of Government House. The collection is accessible to the public and consists of paintings, drawings, prints, sculptures, furnishings, books and silverware. Parts of the collection are used or displayed in Government House, while some items are housed and managed by other provincial institutions.

At March 31, 2017, the collection consisted of 655 (2016– 655) pieces of artworks and other items, with an estimated value of \$1,051,680 (2016 – \$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, 2017, the collection consisted of 8,925 (2016 – 8,800) artworks. The Foundation has estimated the value at \$15,064,722 (2016 – \$14,690,482). During the year, the Foundation purchased 50 (2016 – 66) artworks at a cost of \$239,920 (2016 –\$387,595). There were 75 (2016 – 135) donations to the collection during the year. These donations were appraised at a value of \$134,320 (2016 – \$482,705). There was no artwork disposition during the year (2016 – one). The collection is insured.

- (p) The Alberta Historical Resources Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and antique furnishings. At March 31, 2017, the collection consisted of 374 (2016 – 374) artworks with an estimated value of \$15,940 (2016 – \$15,940) and 30 (2016 – 30) antique furnishings with an estimated value of \$12,700 (2016 – \$12,700). During the year, the Foundation did not acquire any historical assets (2016 – Nil). There were no artwork dispositions during the year (2016 – Nil). The collection is insured.

Department of Culture and Tourism

Financial Statements

March 31, 2017

Department of Culture and Tourism
Financial Statements
March 31, 2017

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Debt

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Credit or Recovery

Schedule 3 – Expenses – Directly Incurred Detailed by Object

Schedule 4 – Lapse/Encumbrance

Schedule 5 – Lottery Fund Estimates

Schedule 6 – Salary and Benefits Disclosure

Schedule 7 – Related Party Transactions

Schedule 8 – Allocated Costs

Schedule 9 – Tangible Capital Assets

Schedule 10 – Artworks and Collections (Unaudited)



Independent Auditor's Report

To the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Culture and Tourism, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Culture and Tourism as at March 31, 2017, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 1, 2017

Edmonton, Alberta

Department of Culture and Tourism
Statement of Operations
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual Restated (Note 3)
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 80	\$ 55	\$ 52
Federal Government Grants	650	764	650
Premiums, Fees and Licences	600	741	764
Other	3,596	2,885	2,720
	<u>4,926</u>	<u>4,445</u>	<u>4,186</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 3, 4, 7 and 8)			
Ministry Support Services	15,172	13,986	15,201
Community and Voluntary Support Services	98,576	96,440	86,204
Creative Industries	66,808	71,648	75,929
Francophone Secretariat	1,310	1,426	1,279
Heritage	45,805	54,265	43,285
Recreation and Physical Activity	26,520	26,426	27,159
Tourism	61,035	59,677	66,282
2013 Alberta Flooding	6,025	2,671	1,932
Climate Leadership Plan	-	9	-
	<u>321,251</u>	<u>326,548</u>	<u>317,271</u>
Annual Deficit	<u>\$ (316,325)</u>	<u>\$ (322,103)</u>	<u>\$ (313,085)</u>

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

Department of Culture and Tourism
Statement of Financial Position
As at March 31, 2017
(in thousands)

	2017	2016
		Restated (Note 3)
Financial Assets		
Cash	\$ 26	\$ 6,445
Accounts Receivable (Note 4)	11,651	1,395
	11,677	7,840
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	20,890	24,893
Liabilities for Contaminated Sites (Note 6)	16,879	7,206
	37,769	32,099
Net Debt	(26,092)	(24,259)
Non-Financial Assets		
Tangible Capital Assets (Schedule 9)	14,526	14,981
Net Debt	(11,566)	(9,278)
Net Liabilities at Beginning of Year	(9,278)	(22,059)
Annual Deficit	(322,103)	(313,085)
Non-Grant Transfer of Tangible Capital Assets	(293)	(1,315)
Net Financing Provided from General Revenues	320,108	327,181
Net Liabilities at End of Year	\$ (11,566)	\$ (9,278)

Contingent Liabilities and Contractual Obligations (Notes 7 and 8)

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

Department of Culture and Tourism
Statement of Change in Net Debt
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual Restated (Note 3)
Annual Deficit	\$ (316,325)	\$ (322,103)	\$ (313,085)
Acquisition of Tangible Capital Assets (Schedule 9)	(2,041)	(2,025)	(1,897)
Amortization of Tangible Capital Assets (Schedule 9)	2,268	2,087	1,947
Loss on Sale of Tangible Capital Assets		87	490
Proceeds on Sale of Tangible Capital Assets		13	-
Net Financing Provided from General Revenue		320,108	327,181
(Increase) Decrease in Net Debt		(1,833)	14,636
Net Debt at Beginning of Year		(24,259)	(38,895)
Net Debt at End of Year		\$ (26,092)	\$ (24,259)

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

Department of Culture and Tourism
Statement of Cash Flows
Year Ended March 31, 2017
(in thousands)

	2017	2016
		Restated (Note 3)
Operating Transactions		
Annual Deficit	\$ (322,103)	\$ (313,085)
Non-cash Items Included in Net Operating Results		
Amortization of Tangible Capital Assets (Schedule 9)	2,087	1,947
Loss on Disposal of Tangible Capital Assets	87	490
	(319,929)	(310,648)
(Increase) in Accounts Receivable	(10,256)	(259)
(Decrease) in Accounts Payable and Accrued Liabilities	(4,003)	(14,163)
Increase (Decrease) in Liabilities for Contaminated Sites	9,673	(411)
	(324,515)	(325,481)
Cash (Applied to) Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedules 9)	(2,025)	(1,897)
Proceeds on Sale of Tangible Capital Assets (Schedule 9)	13	-
	(2,012)	(1,897)
Cash (Applied to) Capital Transactions		
Financing Transactions		
Net Financing Provided from General Revenues	320,108	327,181
	320,108	327,181
Cash Provided from Financing Transactions		
(Decrease) in Cash	(6,419)	(197)
Cash and Cash Equivalents at Beginning of Year	6,445	6,642
Cash and Cash Equivalents at End of Year	\$ 26	\$ 6,445

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

Note 1 Authority and Purpose

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

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

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

Other entities reporting to the Minister are:

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

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

The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

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

(a) Reporting Entity (continued)

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

(b) Basis of Financial Reporting

Revenues

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

Government Transfers

Transfers from the Government of Alberta (GoA), federal and other governments are referred to as government transfers.

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

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

Deferred Revenue

Cash received for which goods or services have not been provided by year end is recorded as deferred revenue.

Credit or Recovery

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Expenses

Directly Incurred

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

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

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

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

Incurred by Others

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

Valuation of Financial Assets and Liabilities

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

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Financial Assets

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

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

Accounts Receivable

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

Liabilities

Liabilities are present obligations of a government to others arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Liabilities for Contaminated Sites

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

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

Non-Financial Assets

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

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

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Non-Financial Assets (continued)

Tangible Capital Assets

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

Contributed tangible capital assets are recognized at their fair value at the time of contribution.

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

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

Assets acquired by right are not included.

Artworks and Collections

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

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Liabilities for contaminated sites are recognized in the amount of \$16,879 (2016 – \$7,206) for Heritage, based on management's best estimates that reflect the environmental information known at the time. Further environmental assessments, changes in environmental legislation or other unanticipated changes may affect these estimates.

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

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

(c) Future Accounting Changes

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

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Management is currently assessing the impact of these standards on the financial statements.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights. Management is currently assessing the impact of these standards on the financial statements.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities. Management is currently assessing the impact of this standard on the financial statements.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
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 Department has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

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

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

Note 3 Dissolution of Related Entities
(in thousands)

Effective April 1, 2016, the Wild Rose Foundation (WRF) and the Government House Foundation (GHF) were dissolved as per the Agencies, Boards and Commissions Review Statutes Amendment Act, which came into force December 9, 2016. GHF's collections, liabilities and obligations have been transferred to the Department.

The WRF and the GHF ceased operations last fiscal year and consequently had no revenue, expenses or transactions in the fiscal year 2016-17, therefore no Financial Statements were produced for the two dissolved Foundations.

Comparatives for 2016 have been restated as if the department had always been assigned with its current responsibilities for WRF and GHF.

Net Liabilities on April 1, 2015 are made up as follows:

Net Liabilities as previously reported	\$	(28,597)
Net Assets Transfer from WRF to the Department		<u>6,538</u>
Net Liabilities, as of March 31, 2016	<u>\$</u>	<u>(22,059)</u>

Net Debt on April 1, 2015 are made up as follows:

Net Debt as previously reported	\$	(45,433)
Net Assets Transfer from WRF to the Department		<u>6,538</u>
Net Debt as of March 31, 2016	<u>\$</u>	<u>(38,895)</u>

Note 4 Accounts Receivable
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	<u>2017</u>		<u>2016</u>	
	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Realizable Value</u>	<u>Net Realizable Value</u>
Accounts Receivable	<u>\$ 11,651</u>	<u>\$ -</u>	<u>\$ 11,651</u>	<u>\$ 1,395</u>

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

Note 5 Accounts Payable and Accrued Liabilities
(in thousands)

	2017	2016
Accounts Payable	\$ 1,865	\$ 4,154
Other Accrued Liabilities	19,025	20,739
	\$ 20,890	\$ 24,893

Note 6 Liabilities for Contaminated Sites
(in thousands)

The composition of liabilities is as follows:

	2017	2016
Liabilities at Beginning of Year	\$ 7,206	\$ 7,617
Additions to Liabilities During the Year	10,000	-
Change in Estimate Related to Existing Sites	-	-
Remediation Work Performed	(327)	(411)
	\$ 16,879	\$ 7,206

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

	Turner Valley Gas Plant	Greenhill	Bitumount	Total
2017-18	\$ 439	\$ 102	\$ 401	\$ 942
2018-19	4,330	1,101	451	5,882
2019-20	2,988	600	262	3,850
2020-onwards	5,203	-	1,002	6,205
	\$ 12,960	\$ 1,803	\$ 2,116	\$ 16,879

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

Note 7 Contingent Liabilities
(in thousands)

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

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. The Department has been named in one (2016 - two) claim of which the outcome is not determinable. The (2016 - two) claim has no amount specified.

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

Note 8 Contractual Obligations
(in thousands)

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

	2017	2016
Grants	\$ 95,267	\$ 68,544
Service Contracts	13,653	7,390
Capital Construction	50	-
	\$ 108,970	\$ 75,934

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

	Grants	Service Contracts	Capital Constructions	Total
2017-18	\$ 63,353	\$ 10,866	\$ 50	\$ 74,269
2018-19	31,914	1,327	-	33,241
2019-20	-	780	-	780
2020-21	-	680	-	680
Thereafter	-	-	-	-
	\$ 95,267	\$ 13,653	\$ 50	\$ 108,970

Department of Culture and Tourism
Notes to the Financial Statements
March 31, 2017

Note 9 Benefit Plans
(in thousands)

The Department 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 \$7,076 for the year ended March 31, 2017 (2016 – \$7,021). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of \$402,033 (2015 – surplus \$299,051), the Public Service Pension Plan reported a surplus of \$302,975 (2015 – deficiency \$133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$50,020 (2015 – deficiency \$16,305).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported an actuarial surplus of \$101,515 (2016 – surplus \$83,006) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$31,439 (2016 – surplus \$29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 10 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 11 Approval of Financial Statements

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

Department of Culture and Tourism
Schedule to Financial Statements
Revenues
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual Restated (Note 3)
Government Transfers			
Government of Alberta Grants			
Alberta Heritage Scholarship Fund	\$ 80	\$ 55	\$ 52
Federal Government Grants			
Canada – Alberta Cooperation Agreement on French Language Services	650	764	650
Premiums, Fees and Licences			
Film Classification	600	741	764
Other			
Donations and Contributions in Kind	2,000	1,217	521
Prior Years Refunds of Expenses	472	430	892
Other	1,124	1,238	1,307
	3,596	2,885	2,720
Total Revenues	\$ 4,926	\$ 4,445	\$ 4,186

Department of Culture and Tourism
Schedule to Financial Statements
Credit or Recovery
Year Ended March 31, 2017
(in thousands)

	Authorized ⁽¹⁾	Actual Revenue Recognized ⁽²⁾	(Shortfall)/ Excess ⁽³⁾
Royal Alberta Museum ⁽⁴⁾	\$ 1,120	\$ 1,066	\$ (54)
Francophone Secretariat ⁽⁵⁾	765	764	(1)
	<u>\$ 1,885</u>	<u>1,830</u>	<u>\$ (55)</u>

- (1) Treasury Board Minutes No.5/2016 approves an increase of \$120 in the recoveries for the Royal Alberta Museum under the Expense vote of Culture and Tourism. Treasury Board Minutes No.2/2017 approves an increase of \$115 in the credit or recoveries for Francophone Secretariat.
- (2) Revenues from Credit or Recovery initiatives are included in the Department's revenues in the Statement of Operations and Schedule 1.
- (3) Shortfall is deducted from current year's authorized budget, as disclosed in Schedule 4 to the financial statements.
- (4) Funding from the Alberta Biodiversity Institute for specimen sorting, identification, and storage which assists in assessing the impact of land management practices on biodiversity.
- (5) Francophone Secretariat administers the provision of federal government funding to francophone communities to support the planning and delivery of quality French-language services and to support initiatives aimed at contributing to the development of francophone communities.

Department of Culture and Tourism
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual Restated (Note 3)
Grants	\$ 237,235	\$ 242,336	\$ 243,660
Salaries, Wages and Employee Benefits	65,865	62,950	60,286
Supplies and Services	21,464	15,795	16,918
Amortization of Tangible Capital Assets	2,268	2,087	1,947
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	200	26	180
Other	65	10,162	549
	327,097	333,356	323,540
Total Expenses before Recoveries			
Less: Recovery from Support Service Arrangements with Related Parties ⁽²⁾	(5,846)	(6,808)	(6,269)
	\$ 321,251	\$ 326,548	\$ 317,271

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

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

Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2017
(in thousands)

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense						
Ministry Support Services						
1.1 Minister's Office	\$ 655	\$ -	-	\$ 655	\$ 681	\$ (26)
1.2 Deputy Minister's Office	605	-	-	605	463	142
1.3 Human Resources	1,400	-	-	1,400	1,331	69
1.4 Communications	1,220	-	-	1,220	1,171	49
1.5 Corporate Services	10,530	-	-	10,530	9,751	779
	14,410	-	-	14,410	13,397	1,013
Community and Voluntary Support Services						
2.1 Program Support	805	-	-	805	435	370
2.2 Community Engagement	10,670	-	-	10,670	9,315	1,355
2.3 Community Initiatives Program	24,585	-	-	24,585	24,359	226
2.4 Other Initiatives	2,100	-	-	2,100	1,958	142
2.7 Major Fairs	15,348	-	-	15,348	15,348	-
	53,508	-	-	53,508	51,415	2,093

**Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2017
(in thousands)**

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense (continued)						
Creative Industries						
3.1 Program Support	\$ 520	\$ -	\$ -	\$ 520	\$ 391	\$ 129
3.2 Arts	1,325	-	-	1,325	881	444
3.3 Cultural Industries	1,295	-	-	1,295	1,066	229
3.4 Alberta Media Fund	37,065	-	-	37,065	42,577	(5,512)
3.5 Assistance to the Alberta Foundation for the Arts	26,585	-	-	26,585	26,585	-
	66,790	-	-	66,790	71,500	(4,710)
4. Francophone Secretariat	1,310	-	115	1,425	1,405	20
Heritage						
5.1 Program Support	1,285	-	-	1,285	1,270	15
5.2 Royal Alberta Museum	12,440	-	120	12,560	11,736	824
5.3 Royal Tyrrell Museum	2,425	-	-	2,425	2,128	297
5.4 Historic Sites and Other Museums	9,455	-	-	9,455	9,715	(260)
5.5 Provincial Archives of Alberta	3,260	-	-	3,260	3,488	(228)
5.6 Historic Resources Management	5,280	-	-	5,280	4,720	560
5.7 Assistance to the Alberta Historical Resources Foundation	8,160	-	-	8,160	8,160	-
5.8 Heritage Capital and Repairs	-	-	-	-	368	(368)
	42,305	-	120	42,425	41,585	840

**Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2017
(in thousands)**

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense (continued)						
Recreation and Physical Activity						
6.1 Recreation and Physical Activity Services	\$ 5,300	\$ -	\$ -	\$ 5,300	\$ 5,182	\$ 118
6.2 Assistance to the Alberta Sport Connection	21,220	-	-	21,220	21,220	-
	26,520	-	-	26,520	26,402	118
Tourism						
7.1 Program Support	565	-	-	565	557	8
7.2 Destination Development and Visitor Services	7,325	-	-	7,325	6,646	679
7.3 Policy and Business Development	3,585	-	-	3,585	2,919	666
7.4 Assistance to Travel Alberta Corporation	49,450	-	-	49,450	49,450	-
	60,925	-	-	60,925	59,572	1,353

**Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2017
(in thousands)**

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Program – Operating Expense (continued)						
2013 Alberta Flooding						
8.3 Historic Resources Management	\$ 3,125	\$ -	\$ -	\$ 3,125	\$ 2,619	\$ 506
8.5 Historic Sites and Other Museums	2,900	-	-	2,900	52	2,848
	6,025	-	-	6,025	2,671	3,354
9. Climate Leadership Plan	-	9	-	9	9	-
Capital Grants						
Community and Voluntary Support Services						
2.5 Community Facility Enhancement Program	\$ 38,000	\$ -	\$ -	\$ 38,000	\$ 38,025	\$ (25)
2.6 Support for Cultural Infrastructure	6,983	-	-	6,983	6,983	-
	44,983	-	-	44,983	45,008	(25)
Credit or Recovery Shortfall (Schedule 2)	\$ -	\$ -	\$ (55)	\$ (55)	\$ -	\$ (55)
Total	\$ 316,776	\$ 9	\$ 180	\$ 316,965	\$ 312,964	\$ 4,001
Lapse/(Encumbrance)						\$ 4,001

Department of Culture and Tourism
Schedule to Financial Statements
Lapse/Encumbrance
Year Ended March 31, 2017
(in thousands)

	Voted Estimates ⁽¹⁾	Supplementary Estimate ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimates	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
Investment						
Ministry Support Services						
1.5 Corporate Services	\$ 425	\$ -	\$ -	\$ 425	\$ -	\$ 425
Creative Industries						
3.3 Cultural Industries	-	-	-	-	735	(735)
Heritage	1,616	-	-	1,616	1,289	327
5.8 Heritage Infrastructure	2,041	-	-	2,041	2,024	17
Total	\$ 4,082	\$ -	\$ -	\$ 4,082	\$ 3,313	\$ 769
Lapse/(Encumbrance)						\$ 17
Financial Transactions						
Heritage	852	-	-	852	325	527
5.8 Heritage Infrastructure	852	-	-	852	325	527
Total	\$ 1,704	\$ -	\$ -	\$ 1,704	\$ 650	\$ 1,054
Lapse/(Encumbrance)						\$ 527

(1) As per "Expense Vote by Program" and "Capital Investment Vote by Program" and "Financial Transactions Vote by Program" pages of 2016-17 Government Estimates.

(2) Per the Supplementary Supply Estimates approved on March 30, 2017.

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

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

Department of Culture and Tourism
Schedule to Financial Statements
Lottery Fund Estimates
Year Ended March 31, 2017
(in thousands)

	2016-17 Lottery Fund Estimates		2016-17 Actual		Unexpended (Over Expended)
Community and Voluntary Support Services					
2.3 Community Initiatives Program	\$ 24,585	\$	24,359	\$	226
2.4 Other Initiatives	2,100		1,958		142
2.5 Community Facility Enhancement Program	38,000		38,025		(25)
2.7 Major Fairs	15,348		15,348		-
Creative Industries					
3.4 Alberta Media Fund	37,065		36,653		412
3.5 Assistance to the Alberta Foundation for the Arts	26,585		26,585		-
Heritage					
5.7 Assistance to the Alberta Historical Resources Foundation	8,160		8,160		-
Recreation and Physical Activity					
6.2 Assistance to the Alberta Sport Connection	21,220		21,220		-
	<u>\$ 173,063</u>	<u>\$</u>	<u>172,308</u>	<u>\$</u>	<u>755</u>

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

Department of Culture and Tourism
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2017
(in thousands)

	2017			2016	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total
Senior Officials					
Deputy Minister ^(4,5)	\$ 239	\$ 19	\$ 62	\$ 320	\$ 371
Executives					
Assistant Deputy Minister, Creative and Community Development Division ⁽⁵⁾	171	-	44	215	232
Assistant Deputy Minister, Heritage Division	201	-	52	253	257
Assistant Deputy Minister, Policy and Strategic Corporate Services Division	195	68	10	273	229
Assistant Deputy Minister, Tourism Division ⁽⁶⁾	183	-	48	231	235
Executive Director, Human Resource Services	165	-	44	209	229
Executive Director, Financial Services	165	-	44	209	212
Executive Director, Information Management and Technology Services ⁽⁷⁾	63	-	18	81	139
Executive Director, Recreation and Physical Activity Services	143	-	38	181	206
Executive Director, Policy, Planning and Legislative Services ^(7,8)	62	5	18	85	146
Executive Director, Francophone Secretariat	134	-	35	169	173
Director, Communications	121	-	33	154	157
Chief of Staff, Office of the Deputy Minister ⁽⁵⁾	87	-	22	109	64

(1) Base salary includes regular salary and earnings such as acting pay.

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

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

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

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

(6) This position also acted as the Deputy Minister for part of the year.

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

(8) This position also acted as the Chief of Staff for part of the year.

Department of Culture and Tourism
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

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

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

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

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Revenues				
Alberta Heritage Scholarship Fund	\$ -	\$ -	\$ 55	\$ 52
Other Revenue	-	-	-	4
	\$ -	\$ -	\$ 55	\$ 56
Expenses – Directly Incurred				
Grants	\$ 105,415	\$ 111,280	\$ 2,022	\$ 2,844
Other services	-	-	2,389	\$ 2,127
	\$ 105,415	\$ 111,280	\$ 4,411	\$ 4,971
Tangible Capital Assets Transferred (to) from	\$ (307)	\$ -	\$ (293)	\$ (1,315)
Payable to	\$ 1,087	\$ -	\$ 12	\$ 13
Receivable from	\$ 10,615	\$ 544	\$ -	\$ -
Contractual Obligations	\$ -	\$ -	\$ 3,020	\$ -

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

Department of Culture and Tourism
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not reported on the financial statements but are disclosed in Schedule 8.

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Recoveries				
Services Provided	\$ 664	\$ 626	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 45,219	\$ 44,729
Legal Services	-	-	190	216
Business Services	-	-	2,633	2,633
	\$ -	\$ -	\$ 48,042	\$ 47,578

Department of Culture and Tourism
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2017
(in thousands)

Program	2017					2016
	Expenses ⁽¹⁾	Services Provided ⁽²⁾	Accommodation ⁽³⁾	Legal Services ⁽⁴⁾	Business Services ⁽⁵⁾	Restated (Note 3)
	Expenses – Incurred by Others					
	\$	\$	\$	\$	\$	\$
Ministry Support Services	13,986	-	854	54	421	16,510
Community and Voluntary Support Services	96,440	-	883	20	360	87,464
Creative Industries	71,648	-	9,674	14	228	81,564
Francophone Secretariat	1,426	-	47	8	21	1,502
Heritage	54,265	(582)	32,825	90	1,217	76,498
Recreation and Physical Activity	26,426	(82)	368	-	208	27,714
Tourism	59,677	-	568	4	178	67,034
2013 Alberta Flooding	2,671	-	-	-	-	1,932
Climate Leadership Plan	9	-	-	-	-	-
	\$ 326,548	\$ (664)	\$ 45,219	\$ 190	\$ 2,633	\$ 373,926
						\$ 364,227

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

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

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

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

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

**Department of Culture and Tourism
Schedule to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2017
(in thousands)**

	2017						2016	
	General Capital Assets			Infrastructure Assets			Total	Total
	Equipment ⁽¹⁾	Computer Hardware and Software	Land	Land Improvements	Land Improvements	Total		
	3-10 years	5-8 years	Indefinite	40 years				
Estimated Useful Life								
Historical Cost ⁽²⁾								
Beginning of Year	\$ 15,682	\$ 8,460	\$ 4,071	\$ 1,966	\$ 30,179	\$ 30,179	\$ 30,319	
Additions	1,990	35	-	-	2,025	2,025	1,897	
Disposals	(386)	-	-	-	(386)	(386)	(722)	
Transfers (to) from Others ⁽³⁾	(583)	(13)	-	-	(596)	(596)	(1,315)	
	<u>\$ 16,703</u>	<u>\$ 8,482</u>	<u>\$ 4,071</u>	<u>\$ 1,966</u>	<u>\$ 31,222</u>	<u>\$ 31,222</u>	<u>\$ 30,179</u>	
Accumulated Amortization								
Beginning of Year	\$ 9,293	\$ 5,530	\$ -	\$ 375	\$ 15,198	\$ 15,198	\$ 13,483	
Amortization Expense	1,253	781	-	53	2,087	2,087	1,947	
Effect of Disposal	(286)	-	-	-	(286)	(286)	(232)	
Transfers (to) from Others ⁽³⁾	(290)	(13)	-	-	(303)	(303)	-	
	<u>\$ 9,970</u>	<u>\$ 6,298</u>	<u>\$ -</u>	<u>\$ 428</u>	<u>\$ 16,696</u>	<u>\$ 16,696</u>	<u>\$ 15,198</u>	
Net Book Value at March 31, 2017	<u>\$ 6,733</u>	<u>\$ 2,184</u>	<u>\$ 4,071</u>	<u>\$ 1,538</u>	<u>\$ 14,526</u>	<u>\$ 14,526</u>		
Net Book Value at March 31, 2016	<u>\$ 6,389</u>	<u>\$ 2,930</u>	<u>\$ 4,071</u>	<u>\$ 1,591</u>	<u>\$ 14,981</u>	<u>\$ 14,981</u>		

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

⁽²⁾ Historical cost includes work-in-progress at March 31, 2017 totalling \$1,610 (2016 - \$1,762) comprised of: equipment \$1,575 (2016 - \$1,363); and computer hardware and software \$35 (2016 - \$399).

⁽³⁾ Transfer of equipment was made to the Department of Infrastructure at a net book value of \$15; transfer of equipment was made to the Historic Resources Fund at a net book value of \$307; transfer of equipment was made from the Department of Treasury Board and Finance at a net book value of \$29; transfer of computer hardware and software was made to the Department of Infrastructure at a net book value of Nil.

**Department of Culture and Tourism
Schedule to Financial Statements
Artworks and Collections Schedule
Year Ended March 31, 2017
(Unaudited)**

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

- (a) The collections of the Royal Alberta Museum represent Alberta's highly diverse cultural and natural heritage. They consist of 2,123,000 natural history specimens, 154,900 ethnological and historical artifacts, and millions of archaeological objects spanning 10,000 years of Alberta history. The collections include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, art, textile collections and archaeological materials recovered in Alberta through Historic Resources Impact Assessments. All collections include associated documentation and, in many cases, images and other media.
- (b) The Royal Alberta Museum also is responsible for managing approximately 81,470 artifacts for the Department'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 paleontological materials recovered in Alberta through Historic Resource Impact Assessments. The Royal Tyrrell Museum is also responsible for one paleontological site in southern Alberta and one geological site in central Alberta.
- (d) The Historic Sites and Museums Branch preserves and presents Alberta's history at two museums (Reynolds-Alberta Museum and Remington Carriage Museum), three interpretive centres (Oil Sands Discovery Centre, Head-Smashed-In Buffalo Jump and Frank Slide Interpretive Centre), seven developed historic sites (Leitch Collieries, Stephansson House, Victoria Settlement, Brooks Aqueduct, Father Lacombe Chapel, Fort George and Buckingham House, and Historic Dunvegan), one developed historic site leased to a society (Lougheed House), one developed site leased from the University of Alberta (Rutherford House), and one historic site currently under development (Turner Valley Gas Plant).

**Department of Culture and Tourism
Schedule to Financial Statements
Artworks and Collections Schedule
Year Ended March 31, 2017
(Unaudited)**

- (e) The Reynolds-Alberta Museum is responsible for approximately 6,500 agricultural, industrial and transportation artifacts. This includes 465 cars, trucks and motorcycles; 365 tractors and engines; 395 agricultural machines and 467 industrial artifacts. Also included are 101 vintage aircraft, the second largest collection in Canada. The museum houses over 850 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 305 carriages, buggies, wagons and sleighs, and approximately 760 associated small artifacts.
- (g) The Ukrainian Cultural Heritage Village contains 60 historical buildings that document Ukrainian settlement in east-central Alberta from 1892 to 1930. Structures include a grain elevator, sod house, blacksmith shop, farm buildings and churches.
- (h) The Historic Resources Management Branch is responsible for eight undeveloped historic sites, two developed historic sites, two developed sites leased to non-government entities, 13 cairns, and six archaeological sites.
- (i) The Heritage Division is also responsible for approximately 1,900 hectares of historically-significant land owned by the GOA.
- (j) The Provincial Archives of Alberta holds approximately 53,700 linear metres of government textual records; 4,540 linear metres of private records; 154,330 maps, plans and drawings; 1,845,935 photographic images; 71,835 objects of audiovisual holdings such as film, video and audio recordings; and 14,825 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.

**Department of Culture and Tourism
Schedule to Financial Statements
Artworks and Collections Schedule
Year Ended March 31, 2017
(Unaudited)**

- (m) The Government House contains significant items pertaining to the history. 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, 2017, the collection consisted of 655 (2016 – 655) pieces of artworks and other items, with an estimated value of \$1,051,680 (2016 – \$1,051,680). There were no purchases donations or dispositions during the year. The collection is insured.

Alberta Foundation for the Arts

Financial Statements

March 31, 2017

**Alberta Foundation for the Arts
Financial Statements
March 31, 2017**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs

Schedule 4 – Artworks and Collections (Unaudited)



Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of the Alberta Foundation for the Arts, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Alberta Foundation for the Arts as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 1, 2017

Edmonton, Alberta

**Alberta Foundation for the Arts
Statement of Operations
Year Ended March 31, 2017
(in thousands)**

	2017		2016
	Budget	Actual	Actual
Revenues			
Government of Alberta Transfers			
Transfers from the Department of Culture and Tourism	\$ 26,585	\$ 26,585	\$ 26,650
Investment Income	79	43	85
Other Revenue	425	233	489
	<u>27,089</u>	<u>26,861</u>	<u>27,224</u>
Expenses – Directly Incurred			
(Note 2(b) and Schedules 1 and 3)			
Support to Arts Organizations	19,656	20,343	20,405
Support to Individual Artists	3,709	3,666	3,647
Art Collection	2,544	1,815	2,258
Administration	1,198	1,062	915
	<u>27,107</u>	<u>26,886</u>	<u>27,225</u>
Annual Operating Deficit	<u>\$ (18)</u>	\$ (25)	\$ (1)
Accumulated Surplus, Beginning of Year		<u>2,566</u>	<u>2,567</u>
Accumulated Surplus, End of Year		<u>\$ 2,541</u>	<u>\$ 2,566</u>

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

**Alberta Foundation for the Arts
Statement of Financial Position
As at March 31, 2017
(in thousands)**

	2017	2016
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 2,530	\$ 2,587
Accounts Receivable (Note 5)	1	4
	2,531	2,591
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	44	97
	44	97
Net Financial Assets	2,487	2,494
Non-Financial Assets		
Tangible Capital Assets (Note 7)	54	72
	54	72
Net Assets	2,541	2,566
Net Assets		
Accumulated Surplus, Beginning of Year	2,566	2,567
Annual Operating Deficit	(25)	(1)
Accumulated Surplus, End of Year	\$ 2,541	\$ 2,566

Contractual Obligations (Note 8)

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

Alberta Foundation for the Arts
Statement of Changes in Net Financial Assets
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Annual Operating Deficit	\$ (18)	\$ (25)	\$ (1)
Acquisition of Tangible Capital Assets (Note 7)	-	-	(10)
Amortization of Tangible Capital Assets (Note 7)	18	18	28
(Decrease) Increase in Net Financial Assets in the Year		(7)	17
Net Financial Assets, Beginning of Year		2,494	2,477
Net Financial Assets, End of Year		\$ 2,487	\$ 2,494

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

Alberta Foundation for the Arts
Statement of Cash Flows
Year Ended March 31, 2017
(in thousands)

	2017	2016
Operating Transactions		
Annual Operating Deficit	\$ (25)	\$ (1)
Non-cash Items		
Amortization of Tangible Capital Assets (Note 7)	18	28
	(7)	27
Decrease in Accounts Receivable	3	-
(Decrease) in Accounts Payable and Accrued Liabilities	(53)	(101)
Cash (Applied to) Operating Transactions	(57)	(74)
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 7)	-	(10)
Cash (Applied to) Capital Transactions	-	(10)
(Decrease) in Cash and Cash Equivalents	(57)	(84)
Cash and Cash Equivalents at Beginning of Year	2,587	2,671
Cash and Cash Equivalents at End of Year	\$ 2,530	\$ 2,587

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

Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017

Note 1 Authority and Purpose

The Alberta Foundation for the Arts (Foundation) operates under the authority of the *Alberta Foundation for the Arts Act*, Chapter A-19, Revised Statutes of Alberta 2000.

The purposes of the Foundation are:

- to support and contribute to the development of literary, performing, visual and media arts in Alberta;
- to provide both individuals and organizations with opportunities to participate in the arts in Alberta;
- to promote the enjoyment of works of art created by Alberta artists;
- to oversee the collection, preservation and display of works of art by Alberta artists; and
- to encourage artists living in Alberta in their work.

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

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

(a) Reporting Entity

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

(b) Basis of Financial Reporting

Revenues

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

Government Transfers

Transfers from all governments are referred to as government transfers.

Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government Transfers (continued)

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

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

Donations and Non-Government Contributions

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

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

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

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

Investment Income

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

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

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.

Directly Incurred

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

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

Incurred by Others

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

Valuation of Financial Assets and Liabilities

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

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

Financial Assets

Financial assets are the Foundation'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 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.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

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

(b) Basis of Financial Reporting (continued)

Financial Assets (continued)

Accounts Receivable

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

Liabilities

Liabilities represent present obligations of the Foundation to external organizations and individuals arising from transactions or events occurring before the year end. 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 limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

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.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

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)

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. Unless not reasonably determinable, contributed tangible capital assets are recognized at fair value.

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.

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

Note 3 Future Accounting Changes (continued)

- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
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 Foundation has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

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

Note 4 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents in the amount of \$2,530 (2016 - \$2,587) 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, 2017, securities held by CCITF had a time-weighted return of 0.9% (2016 – 0.8%) 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, 2017

Note 5 Accounts Receivable
(in thousands)

	2017		2016	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1	\$ -	\$ 1	\$ 4

Accounts receivable are unsecured and non-interest bearing.

Note 6 Accounts Payable and Accrued Liabilities
(in thousands)

	2017	2016
Trade Accounts Payable	\$ 34	\$ 88
Grant Liabilities	-	3
Other	10	6
	\$ 44	\$ 97

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

Note 7 Tangible Capital Assets
(in thousands)

	Equipment ⁽¹⁾	
	2017	2016
Estimated Useful Life – 10 years		
Historical Cost		
Beginning of Year	\$ 320	\$ 330
Additions	-	10
Disposals, including write-downs ⁽²⁾	-	(20)
	320	320
Accumulated Amortization		
Beginning of Year	248	240
Amortization Expense	18	28
Effect of disposals, including write-downs	-	(20)
	266	248
Net Book Value	\$ 54	\$ 72

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

⁽²⁾ The disposals in 2016 relate to computer hardware and software, resulting in a Net Book Value of zero for this asset class at March 31, 2016.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

Note 8 Contractual Obligations
(in thousands)

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

	2017	2016
Grants	\$ 6,894	\$ 12,124
Service Contracts	879	1,598
	\$ 7,773	\$ 13,722

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

	Grants	Service Contracts	Total
2017-2018	\$ 5,107	\$ 817	\$ 5,924
2018-2019	1,787	62	1,849
	\$ 6,894	\$ 879	\$ 7,773

Note 9 Honoraria
(in thousands)

	2017	2016
Board ^{(1) (2)}		
Chair	\$ 6	\$ 5
Vice Chair ⁽³⁾	1	1
Other Members ⁽⁴⁾	20	20
	\$ 27	\$ 26

- (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) This position was occupied October 16, 2015 to June 20, 2016.
- (4) Number of other members as of March 31, 2017 – twelve.

**Alberta Foundation for the Arts
Notes to the Financial Statements
March 31, 2017**

Note 10 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 11 Approval of Financial Statements

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

Alberta Foundation for the Arts
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Grants	\$ 21,979	\$ 22,539	\$ 22,779
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	2,214	2,427	2,214
Supplies and Services			
General	2,896	1,270	1,256
Acquisition of Artworks ⁽²⁾	-	468	453
Donations of Artworks	-	134	469
Honoraria (Note 9)	-	27	26
Financial Transactions and Other	-	3	-
Amortization of Tangible Capital Assets (Note 7)	18	18	28
	\$ 27,107	\$ 26,886	\$ 27,225

⁽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, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

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

The Foundation had the following transactions with related parties reported 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	
	2017	2016	2017	2016
Revenues				
Transfers from the Department of Culture and Tourism	\$ 26,585	\$ 26,650	\$ -	\$ -
Other Revenue	-	-	4	-
	<u>\$ 26,585</u>	<u>\$ 26,650</u>	<u>\$ 4</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Grants	\$ 120	\$ 86	\$ 934	\$ 987
Other Services	-	-	59	59
	<u>\$ 120</u>	<u>\$ 86</u>	<u>\$ 993</u>	<u>\$ 1,046</u>
Payable to	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ 22</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190</u>	<u>\$ 50</u>

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

Alberta Foundation for the Arts
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(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	
	2017	2016	2017	2016
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 459	\$ 459
Legal Services	-	-	7	2
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 466</u>	<u>\$ 461</u>

**Alberta Foundation for the Arts
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2017
(in thousands)**

Program	2017				2016	
	Expenses ⁽¹⁾	Expenses – Incurred by Others			Total Expenses	Total Expenses
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Legal Services ⁽³⁾	Total Expenses	Total Expenses
Support to Arts Organizations	\$ 20,343	\$ 95	\$ -	\$ -	\$ 20,438	\$ 20,500
Support to Individual Artists	3,666	95	-	-	3,761	3,742
Art Collection	1,815	139	4	4	1,958	2,398
Administration	1,062	130	3	3	1,195	1,046
	<u>\$ 26,886</u>	<u>\$ 459</u>	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 27,352</u>	<u>\$ 27,686</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.

⁽³⁾ The Department of Justice and Solicitor General provided Legal Services. Costs shown for Legal Services on Schedule 5, allocated by estimated costs incurred by each program.

**Alberta Foundation for the Arts
Schedule to Financial Statements
Artworks and Collections (Unaudited)
Year Ended March 31, 2017**

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, 2017, the collection consisted of 8,925 (2016 – 8,800) artworks. The Foundation has estimated the value at \$15,064,722 (2016 – \$14,690,482). During the year, the Foundation purchased 50 (2016 – 66) artworks at a cost of \$239,920 (2016 – \$387,595). There were 75 (2016 – 135) donations to the collection during the year. These donations were appraised at a value of \$134,320 (2016 – \$482,705). There were no artwork dispositions during the year (2016 – one). The collection is insured.

The Alberta Historical Resources Foundation

Financial Statements

March 31, 2017

The Alberta Historical Resources Foundation
Financial Statements
March 31, 2017

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs

Schedule 4 – Artworks and Collections (Unaudited)



Independent Auditor's Report

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

Report on the Financial Statements

I have audited the accompanying financial statements of The Alberta Historical Resources Foundation, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of The Alberta Historical Resources Foundation as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 1, 2017

Edmonton, Alberta

2016-17 Culture and Tourism Annual Report

The Alberta Historical Resources Foundation
Statement of Operations
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Revenues			
Government of Alberta Transfers			
Transfers from the Department of Culture and Tourism	\$ 8,160	\$ 8,160	\$ 8,160
Investment Income	26	23	24
Other Revenue	6	-	-
	<u>8,192</u>	<u>8,183</u>	<u>8,184</u>
Expenses – Directly Incurred			
(Note 2(b) and Schedules 1 and 3)			
Glenbow Museum	3,588	3,588	3,588
Heritage Preservation Partnership Programs	2,181	2,489	2,272
Support for Provincial Heritage Organizations	2,080	2,080	2,082
Municipal Heritage Programs	-	7	161
Heritage Markers Program	118	44	61
Administration	248	336	339
	<u>8,215</u>	<u>8,544</u>	<u>8,503</u>
Annual Operating Deficit	<u>\$ (23)</u>	\$ (361)	\$ (319)
Accumulated Surplus, Beginning of Year		<u>1,504</u>	<u>1,823</u>
Non-Grant Transfer of Cash from The Government House Foundation (Note 4)		85	-
Accumulated Surplus, End of Year		<u>\$ 1,228</u>	<u>\$ 1,504</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, 2017
(in thousands)

	2017	2016
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 1,556	\$ 1,817
Accounts Receivable (Note 6)	-	1
	1,556	1,818
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	401	406
	401	406
Net Financial Assets	1,155	1,412
Non-Financial Assets		
Tangible Capital Assets (Note 8)	73	92
	73	92
Net Assets	1,228	1,504
Net Assets		
Accumulated Surplus, Beginning of Year (Note 9)	1,504	1,823
Non-Grant Transfer of Cash from The Government House Foundation (Note 4)	85	-
Annual Operating Deficit	(361)	(319)
Accumulated Surplus, End of Year	\$ 1,228	\$ 1,504
Contractual Obligations (Note 11)		

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, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Annual Operating Deficit	\$ (23)	\$ (361)	\$ (319)
Acquisition of Tangible Capital Assets (Note 8)		-	(34)
Amortization of Tangible Capital Assets (Note 8)	23	19	20
(Decrease) in Net Financial Assets in the Year		(342)	(333)
Net Financial Assets, Beginning of Year		1,412	1,745
Non-Grant Transfer of Cash from The Government House Foundation (Note 4)		85	-
Net Financial Assets, End of Year		\$ 1,155	\$ 1,412

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

The Alberta Historical Resources Foundation
Statement of Cash Flow
Year Ended March 31, 2017
(in thousands)

	2017	2016
Operating Transactions		
Annual Operating Deficit	\$ (361)	\$ (319)
Non-cash Items		
Amortization of Tangible Capital Assets	19	20
	(342)	(299)
Decrease (Increase) in Accounts Receivable	1	(1)
(Decrease) in Accounts Payable and Accrued Liabilities	(5)	(99)
	(346)	(399)
Cash (Applied to) Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	-	(34)
	-	(34)
Cash (Applied to) Capital Transactions		
Financing Transactions		
Non-Grant Transfer of Cash from The Government House Foundation (Note 4)	85	-
	85	-
Cash Provided by Financing Transactions		
(Decrease) in Cash and Cash Equivalents	(261)	(433)
Cash and Cash Equivalents at Beginning of Year	1,817	2,250
Cash and Cash Equivalents at End of Year	\$ 1,556	\$ 1,817

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

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 1 Authority and Purpose

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

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

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

(a) Reporting Entity

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

(b) Basis of Financial Reporting

Revenues

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

Government Transfers

Transfers from all governments are referred to as government transfers.

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

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

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.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

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:

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

Financial Assets

Financial assets are the Foundation'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.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities represent present obligations of the Foundation to external organizations and individuals arising from transactions or events occurring before the year end. 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 limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

Work in progress is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

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

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. Unless not reasonably determinable, contributed tangible capital assets are recognized at fair value.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

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.

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 3 Future Accounting Changes (continued)

PS 3450 Financial Instruments

In June 2011 the Public Sector Accounting Board issued this accounting standard effective April 1, 2019. The Foundation has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier. Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

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

Note 4 Cash Transfer
(in thousands)

Budget 2016 announced the dissolution of The Government House Foundation. All assets (except cash), liabilities and obligations were transferred to the Department of Culture and Tourism. The Government House Foundation's cash (\$85) was transferred to the Alberta Historical Resources Foundation in fiscal 2016-2017.

Note 5 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents in the amount of \$1,556 (2016 - \$1,817) 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, 2017, securities held by CCITF had a time-weighted return of 0.9% (2016 – 0.8%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 6 Accounts Receivable
(in thousands)

	2017			2016
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ -	\$ -	\$ -	\$ 1

Accounts receivable are unsecured and non-interest bearing.

Note 7 Accounts Payable
(in thousands)

	2017	2016
Trade Accounts Payable	\$ 261	\$ 32
Grant Liabilities	140	374
	\$ 401	\$ 406

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 8 Tangible Capital Assets
(in thousands)

	Equipment ⁽¹⁾	
	2017	2016
Estimated Useful Life – 10 years		
Historical Cost ⁽²⁾		
Beginning of Year	\$ 647	\$ 613
Additions	-	34
	647	647
Accumulated Amortization		
Beginning of Year	555	535
Amortization Expense	19	20
	574	555
Net Book Value	\$ 73	\$ 92

⁽¹⁾ Equipment includes Heritage Markers.

⁽²⁾ Historical cost includes equipment work-in-progress at March 31, 2017 totalling nil (2016 – \$33).

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 9 Accumulated Surplus
(in thousands)

Accumulated Surplus is comprised of the following:

	Internally Restricted - Bob Etherington Heritage Trades Scholarship ⁽¹⁾	Internally Restricted - Peter Goertzen Fund ⁽²⁾	Net Investment in Tangible Capital Assets	Unrestricted	Total
Balance, April 1, 2016	\$ 15	\$ 10	\$ 92	\$ 1,387	\$ 1,504
Annual Operating Deficit	-	-	-	(361)	(361)
Non-Grant Transfer of Cash from The Government House Foundation	-	-	-	85	85
Net Investment in Capital Assets	-	-	(19)	19	-
Balance, March 31, 2017	<u>\$ 15</u>	<u>\$ 10</u>	<u>\$ 73</u>	<u>\$ 1,130</u>	<u>\$ 1,228</u>

⁽¹⁾ The Bob Etherington Heritage Trades Scholarship was designed to develop the heritage trades in Alberta by encouraging tradespersons to hone their technical skills and further their understanding of the challenges and complexities of heritage conservation work.

⁽²⁾ The Peter Goertzen Fund is a gift from the estate of Peter Goertzen, a former board member of The Alberta Historical Resources Foundation. These funds have been internally restricted and will support special heritage projects approved by the Board.

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 10 Honoraria
(in thousands)

	2017	2016
Board ^{(1) (2)}		
Chair	\$ 5	\$ 6
Other Members ⁽³⁾	20	27
	\$ 25	\$ 33

- (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, 2017 – twelve.

Note 11 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.

	2017	2016
Grants	\$ 2,609	\$ 2,651
Service Contracts	3,588	7,176
	\$ 6,197	\$ 9,827

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

	Grant Agreements	Service Contracts	Total
2017-18	\$ 1,432	\$ 3,588	\$ 5,020
2018-19	717	-	717
2019-20	204	-	204
2020-21	204	-	204
2021-22	26	-	26
Thereafter	26	-	26
	\$ 2,609	\$ 3,588	\$ 6,197

The Alberta Historical Resources Foundation
Notes to the Financial Statements
March 31, 2017

Note 12 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 13 Approval of Financial Statements

The Board approved the financial statements of Alberta Historical Resources Foundation.

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Grants	\$ 3,882	\$ 4,268	\$ 4,234
Supplies and Services	3,695	3,642	3,652
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	564	590	564
Amortization of Tangible Capital Assets (Note 8)	23	19	20
Honoraria (Note 10)	51	25	33
	\$ 8,215	\$ 8,544	\$ 8,503

⁽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, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

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

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

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Revenues				
Transfers from the Department of Culture and Tourism	\$ 8,160	\$ 8,160	\$ -	\$ -
Expenses – Directly Incurred				
Grants	\$ -	\$ -	\$ 95	\$ 4
Other Services	-	-	7	8
	\$ -	\$ -	\$ 102	\$ 12
Payable to	\$ -	\$ -	\$ 84	\$ -
Receivable from	\$ -	\$ -	\$ -	\$ 1
Contractual Obligations	\$ -	\$ -	\$ 56	\$ 114

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

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(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	
	2017	2016	2017	2016
Expenses – Incurred by Others				
Other Services	\$ 74	\$ 80	\$ -	\$ -
Accommodation	-	-	21	21
	<u>\$ 74</u>	<u>\$ 80</u>	<u>\$ 21</u>	<u>\$ 21</u>

The Alberta Historical Resources Foundation
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2017
(in thousands)

Program	Expenses – Incurred by Others			Total Expenses	Total Expenses
	Expenses ⁽¹⁾	Other Services ⁽²⁾	Accommodation ⁽³⁾		
Glenbow Museum	\$ 3,588	\$ -	\$ -	\$ 3,588	\$ 3,588
Heritage Preservation Partnership Programs	2,489	41	12	2,542	2,323
Support for Provincial Heritage Organizations	2,080	-	-	2,080	2,082
Municipal Heritage Programs	7	11	3	21	174
Heritage Markers Program	44	11	3	58	85
Administration	336	11	3	350	352
	<u>\$ 8,544</u>	<u>\$ 74</u>	<u>\$ 21</u>	<u>\$ 8,639</u>	<u>\$ 8,604</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, 2017**

The Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and antique furnishings. At March 31, 2017, the collection consisted of 374 (2016 – 374) artworks with an estimated value of \$15,940 (2016 – \$15,940) and 30 (2016 – 30) antique furnishings with an estimated value of \$12,700 (2016 – \$12,700). During the year, the Foundation did not acquire any historical assets (2016 – Nil). There were no artwork dispositions during the year (2016 – Nil). The collection is insured.

Alberta Sport Connection

Financial Statements

March 31, 2017

**Alberta Sport Connection
Financial Statements
March 31, 2017**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Expenses – Directly Incurred Detailed by Object

Schedule 3 – Salary and Benefits Disclosure

Schedule 4 – Related Party Transactions

Schedule 5 – Allocated Costs

Schedule 6 – Tangible Capital Assets

Schedule 7 – Artworks (Unaudited)

Independent Auditor's Report

To the Board of Directors of Alberta Sport Connection and the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of Alberta Sport Connection, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Sport Connection as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

May 29, 2017

Edmonton, Alberta

**Alberta Sport Connection
Statement of Operations
Year Ended March 31, 2017
(in thousands)**

	2017		2016
	Budget	Actual	Actual
Revenues (Schedule 1)			
Government Transfers			
Government of Alberta Grants	\$ 21,220	\$ 21,380	\$ 22,106
Federal and Other Government Grants	438	438	438
Investment Income	172	45	77
Premiums, Fees and Licences	188	205	323
Donations and Other Contributions	1,994	1,138	981
Other Revenue	20	29	38
	<u>24,032</u>	<u>23,235</u>	<u>23,963</u>
Expenses – Directly Incurred (Note 2(b), Schedules 2 and 5)			
Provincial Programs	18,397	17,501	17,037
Support to 2019 Canada Winter Games	2,335	2,035	3,000
Alberta and Interprovincial Games	1,951	2,237	2,440
High Performance Athlete Assistance	810	986	851
Parks and Wildlife Ventures	93	88	559
Other Initiatives	45	30	119
Provincial and Regional Development Administration	69	13	60
	344	248	326
	<u>24,044</u>	<u>23,138</u>	<u>24,392</u>
Annual Operating Surplus (Deficit) (Note 4)	<u>\$ (12)</u>	\$ 97	\$ (429)
Endowment Contributions (Note 9)		1	-
Annual Surplus (Deficit)		98	(429)
Accumulated Surplus, Beginning of Year		3,017	3,575
Non-Grant Transfers of Net Assets to Alberta Environment and Parks (Note 10)		(892)	(129)
Accumulated Surplus, End of Year		<u>\$ 2,223</u>	<u>\$ 3,017</u>

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

**Alberta Sport Connection
Statement of Financial Position
As at March 31, 2017
(in thousands)**

	2017	2016
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 2,982	\$ 3,253
Accounts Receivable (Note 6)	24	90
Inventories for Resale	29	24
	3,035	3,367
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	799	989
Deferred Revenue (Note 8)	1,230	1,382
	2,029	2,371
Net Financial Assets	1,006	996
Non-Financial Assets		
Tangible Capital Assets (Schedule 6)	1,206	2,011
Prepaid Expenses	11	10
	1,217	2,021
Net Assets	2,223	3,017
Net Assets (Note 10)		
Accumulated Surplus at Beginning of Year	3,017	3,575
Non-Grant Transfers of Net Assets to Alberta Environment and Parks	(892)	(129)
Annual Surplus (Deficit)	98	(429)
	\$ 2,223	\$ 3,017
Contractual Obligations (Note 11)		

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, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Annual Operating Surplus (Deficit)	\$ (12)	\$ 97	\$ (429)
Acquisition of Tangible Capital Assets (Schedule 6)		-	(21)
Amortization of Tangible Capital Assets (Schedule 6)	12	13	12
Grants In Kind		-	432
Non-Grant Transfer of Cash to Alberta Environment and Parks (Note 10)		(232)	-
Non-Grant Transfer of Deferred Revenue to Alberta Environment and Parks (Note 10)		132	-
Change in Prepaid Expenses		(1)	-
Endowment Contributions (Note 9)		1	-
Increase (Decrease) in Net Financial Assets in the Year		10	(6)
Net Financial Assets, Beginning of Year		996	1,002
Net Financial Assets, End of Year		\$ 1,006	\$ 996

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

**Alberta Sport Connection
Statement of Cash Flows
Year Ended March 31, 2017
(in thousands)**

	2017	2016
Operating Transactions		
Annual Operating Surplus (Deficit)	\$ 97	\$ (429)
Non-cash Items		
Grants in Kind	-	432
Amortization of Tangible Capital Assets (Schedule 6)	13	12
Deferred Revenue Recognized as Revenue (Note 8)	(34)	(83)
	76	(68)
Decrease in Accounts Receivable	66	122
(Increase) in Inventories for Resale	(5)	(5)
(Increase) in Prepaid Expenses	(1)	-
(Decrease) in Accounts Payable and Accrued Liabilities	(190)	(5,977)
Deferred Revenue Received (Note 8)	14	15
	(40)	(5,913)
Cash (Applied to) Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 6)	-	(21)
	-	(21)
Cash (Applied to) Capital Transactions		
Financing Transactions		
Endowment Contributions (Note 9)	1	-
Non-Grant Transfer of Cash to Alberta Environment and Parks (Note 10)	(232)	-
	(231)	-
Cash Provided from Financing Transactions		
(Decrease) in Cash and Cash Equivalents	(271)	(5,934)
Cash and Cash Equivalents at Beginning of Year	3,253	9,187
Cash and Cash Equivalents at End of Year	\$ 2,982	\$ 3,253

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

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 1 Authority and Purpose

The Alberta Sport Connection (Corporation) operates under the authority of the *Alberta Sport Connection Act*, Chapter A-34, Revised Statutes of Alberta 2000, as amended.

The objectives of the Corporation are:

- to develop and maintain sport programs, facilities and services; and
- to raise funds to be used in assisting the Corporation in the carrying out of its objects.

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

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

(a) Reporting Entity

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

(b) Basis of Financial Reporting

Revenues

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

Government Transfers

Transfers from all governments are referred to as government transfers.

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

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Government Transfers (continued)

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

Donations and Non-Government Contributions

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

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

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

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

Investment Income

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

Investment income from externally restricted contributions and endowments is recognized as deferred revenue when the terms for use create a liability, and is recognized as investment income when the terms are met.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

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.

Directly Incurred

Directly incurred expenses are those costs the Corporation 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 Corporation's operations are not recognized and are disclosed in Schedule 4 and allocated to programs in Schedule 5.

Valuation of Financial Assets and Liabilities

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

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

Financial Assets

Financial assets are the Corporation's financial claims on external organizations and individuals, and inventories for resale at the year end.

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.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Financial Assets (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.

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 represent present obligations of the Corporation to external organizations and individuals arising from transactions or events occurring before the year end. 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 limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

Work in progress, which includes land improvements, is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

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)

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	40 Years
Equipment	10 Years
Land Improvements	40 Years

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

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

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

Externally restricted tangible capital assets are recognized in liabilities and amortized to revenue over their useful lives. Unless not reasonably determinable, contributed tangible capital assets are recognized at fair value.

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.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Net Assets/Net Liabilities

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.

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.

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 3 Future Accounting Changes (continued)

- **PS 3450 Financial Instruments (effective April 1, 2019)**

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 Corporation has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

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

Note 4 Annual Operating Surplus (Deficit)
(in thousands)

	2017	2016
Operations	\$ 46	\$ 47
Provision for Vacation Pay and Banked Overtime	64	(32)
Grants in Kind	-	(432)
Amortization of Tangible Capital Assets	(13)	(12)
 Total	 \$ 97	 \$ (429)

Actual cash expenses incurred by the Corporation cannot exceed actual revenues recognized during the year except if authorized by the Minister of Culture and Tourism or by Treasury Board.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 5 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2017	2016
Unrestricted Cash	\$ 1,303	\$ 1,260
Externally Restricted Cash ⁽¹⁾	1,148	1,182
Internally Restricted Cash ⁽²⁾	87	368
	2,538	2,810
Endowments (Note 9)	444	443
Total	\$ 2,982	\$ 3,253

⁽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, 2017, securities held by CCITF had a time-weighted return of 0.9% (2016 – 0.8%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 6 Accounts Receivable
(in thousands)

	2017		2016	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 24	\$ -	\$ 24	\$ 90

Accounts receivable are unsecured and non-interest bearing.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2017	2016
Trade Accounts Payable	\$ 230	\$ 166
Grant Liabilities	29	237
Other	540	586
	\$ 799	\$ 989

Note 8 Deferred Revenue
(in thousands)

	2017	2016
Unearned Revenue (a)	\$ -	\$ -
Deferred Contributions (b)	1,230	1,382
	\$ 1,230	\$ 1,382

(a) Unearned Revenue

Represent amounts received in advance of providing goods or services.

	2017	2016
Balance, Beginning of Year	\$ -	\$ 30
Received/Receivable During Year	-	-
Less Amounts Recognized as Revenue	-	(30)
	\$ -	\$ -

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 8 Deferred Revenue (continued)
(in thousands)

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

	2017	2016
Balance, Beginning of Year	\$ 1,382	\$ 1,420
Received/Receivable During Year	14	15
Less Amounts Recognized as Revenue ⁽¹⁾	(34)	(53)
Less Amounts Transferred to Alberta Environment and Parks	(132)	-
Balance, End of Year	\$ 1,230	\$ 1,382

⁽¹⁾ Amounts recognized in revenue include \$10 (2016 - \$10) to match amortization expenses on restricted tangible capital assets.

	2017	2016
Deferred Contributions		
Cash	\$ 1,148	\$ 1,157
Tangible Capital Assets	82	225
	\$ 1,230	\$ 1,382

Note 9 Endowments
(in thousands)

The composition of endowments is as follows:

	2017	2016
Balance at Beginning of Year	\$ 443	\$ 443
Endowment Contributions	1	-
Balance at End of Year	\$ 444	\$ 443

Endowments consist of externally restricted donations received by the Corporation \$239 (2016 - \$238) and internal allocations by the Corporation's Board of Directors \$205 (2016 - \$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, 2017

Note 10 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	Externally Restricted	Internally Restricted	Unrestricted				
	Net Investment in Tangible Capital Assets ⁽²⁾	Endowments	Operating ⁽¹⁾	Net Investment in Land ⁽²⁾			
	Operating	Operating	Operating	Net Investment in Tangible Capital Assets ⁽²⁾			
	Total			Total			
Balance, April 1, 2016	\$ 1,448	\$ 443	\$ 368	\$ 127	\$ 195	\$ 436	\$ 3,017
Annual Operating Surplus	(143)	-	(49)	-	291	(2)	97
Endowment Contributions	-	1	-	-	-	-	1
Non-Grant Transfers of Tangible Capital Assets to Alberta Environment and Parks	(361)	-	-	-	-	(431)	(792)
Non-Grant Transfer of Cash to Alberta Environment and Parks	-	-	(232)	-	-	-	(232)
Non-Grant Transfer of Deferred Revenue to Alberta Environment and Parks	132	-	-	-	-	-	132
Balance, March 31, 2017	\$ 1,076	\$ 444	\$ 87	\$ 127	\$ 486	\$ 3	\$ 2,223

⁽¹⁾ To support individuals and organizations on projects associated with a specific purpose as designated by the Board.

⁽²⁾ Represents the fixed assets for public use in a conservation setting.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 11 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.

	2017	2016
Grants	\$ 1,380	\$ 2,485
Service Contracts	548	258
	\$ 1,928	\$ 2,743

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

	Grants	Service Contracts	Total
2017-18	\$ 240	\$ 431	\$ 671
2018-19	510	46	556
2019-20	580	5	585
2020-21	50	5	55
2021-22	-	4	4
Thereafter	-	57	57
	\$ 1,380	\$ 548	\$ 1,928

Note 12 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 \$321 for the year ended March 31, 2017 (2016 – \$289). The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2016, the Management Employees Pension Plan reported a surplus of \$402,033 (2015 – surplus \$299,051), the Public Service Pension Plan reported a deficiency of \$302,975 (2015 – deficiency \$133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$50,020 (2015 – deficiency \$16,305).

The Corporation also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2017, the Bargaining Unit Plan reported a surplus of \$101,515 (2016 – surplus \$83,006) and the Management, Opted Out and Excluded Plan a surplus of \$31,439 (2016 – surplus \$29,246). The expense for these two plans is limited to the employer's annual contributions for the year.

Alberta Sport Connection
Notes to the Financial Statements
March 31, 2017

Note 13 Trust Fund
(in thousands)

The Corporation was the beneficiary of a trust fund administered by the Royal Trust Corporation of Canada over which the Corporation had no power of administration or appropriation. Because the Corporation had no equity in the fund and was only the beneficiary of the income portion of the fund, it was not included in the Corporation's financial statements.

On March 30, 2017, Peaceful Valley and its related net assets were transferred to Alberta Environment and Parks (AEP). As this trust fund is restricted for the maintenance and expansion of Peaceful Valley, the Trust Fund was also transferred to AEP.

Note 14 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 15 Approval of Financial Statements

The Board approved the financial statements of Alberta Sport Connection.

Alberta Sport Connection
Schedule to Financial Statements
Revenues
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Government Transfers			
Government of Alberta Grants			
Department of Culture and Tourism	\$ 21,220	\$ 21,220	\$ 22,020
Alberta Foundation for the Arts	-	120	86
Other Government Entities	-	40	-
	<u>21,220</u>	<u>21,380</u>	<u>22,106</u>
Federal and Other Government Grants	<u>438</u>	<u>438</u>	<u>438</u>
Investment Income	<u>172</u>	<u>45</u>	<u>77</u>
Premiums, Fees and Licences			
Alberta Games Registration Fees	130	116	240
Alberta's Future Leaders Fees	15	18	15
Conference Fees	-	-	45
Other	43	71	23
	<u>188</u>	<u>205</u>	<u>323</u>
Donations and Other Contributions			
Donations	960	1,044	804
Sponsorship	1,034	94	177
	<u>1,994</u>	<u>1,138</u>	<u>981</u>
Other Revenue	<u>20</u>	<u>29</u>	<u>38</u>
Total Revenues	<u>\$ 24,032</u>	<u>\$ 23,235</u>	<u>\$ 23,963</u>

Alberta Sport Connection
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 3,257	\$ 3,126	\$ 3,173
Supplies and Services	1,707	1,473	2,694
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	144	144	144
Grants	18,924	18,380	18,368
Financial Transactions and Other	-	2	1
Amortization of Tangible Capital Assets	12	13	12
	\$ 24,044	\$ 23,138	\$ 24,392

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

Alberta Sport Connection
Schedule to Financial Statements
Salary and Benefits Disclosure
Year Ended March 31, 2017
(in thousands)

	2017				2016	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total	
Chair of the Board of Directors ⁽⁴⁾	\$ -	\$ 37	\$ -	\$ 37	\$	53
Vice-Chair of the Board of Directors ^{(4),(6)}	-	1	-	1	-	-
Members of the Board of Directors ^{(4),(5)}	-	12	-	12	-	34
Chief Executive Officer ⁽⁷⁾	161	26	5	192	-	215
Directors:						
Sport Development	98	14	30	142	-	131
High Performance Sport	111	-	32	143	-	140
Alberta Games and Marketing	104	-	30	134	-	177
Business Development and Communications ⁽⁷⁾	93	15	7	115	-	116

(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 2017.

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

(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, 2017 – nine.

(6) This position was filled February 1, 2017.

(7) 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, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

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

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

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Revenues				
Transfers from Department of Culture and Tourism	\$ 21,220	\$ 22,020	\$ -	\$ -
Transfers from Alberta Foundation for the Arts	120	86	-	-
Transfer from Indigenous Relations	-	-	20	-
Transfer from Education	-	-	20	-
	\$ 21,340	\$ 22,106	\$ 40	\$ -
Expenses – Directly Incurred				
Grants	\$ -	\$ -	\$ 1,043	\$ 749
Other Services	-	-	11	56
	\$ -	\$ -	\$ 1,054	\$ 805
Non-Grant Transfers to Alberta Environment and Parks				
Tangible Capital Assets	\$ -	\$ -	\$ (792)	\$ (129)
Cash	-	-	(232)	-
Deferred Revenue	-	-	132	-
	\$ -	\$ -	\$ (892)	\$ (129)
Payable to	\$ 2	\$ -	\$ 186	\$ 94
Receivable from	\$ -	\$ -	\$ 11	\$ 15
Contractual Obligations	\$ -	\$ -	\$ 53	\$ 53

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

Alberta Sport Connection
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(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.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 257	\$ 252
Legal Services	-	-	25	24
Business Services	-	-	5	8
Other Services	82	101	-	-
	<u>\$ 82</u>	<u>\$ 101</u>	<u>\$ 287</u>	<u>\$ 284</u>

**Alberta Sport Connection
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2017
(in thousands)**

Program	2017					2016
	Expenses ⁽¹⁾	Accommodation ⁽²⁾	Legal Services ⁽³⁾	Business Services ⁽⁴⁾	Other Services ⁽⁵⁾	Total Expenses
Provincial Programs	\$ 17,501	\$ 129	\$ -	\$ 4	-	\$ 17,634
Support to 2019 Canada Winter Games	2,035	8	-	-	-	2,043
Alberta and Interprovincial Games	2,237	88	-	1	-	2,326
High Performance Athlete Assistance	986	8	-	-	-	994
Parks and Wildlife Ventures	88	-	25	-	82	195
Other Initiatives	30	8	-	-	-	38
Provincial and Regional Development	13	8	-	-	-	21
Administration	248	8	-	-	-	256
	\$ 23,138	\$ 257	\$ 25	\$ 5	\$ 82	\$ 23,507
						\$ 24,777

Expenses – Incurred by Others

- (1) Expenses - Directly Incurred as per Statement of Operations.
(2) The Department of Infrastructure provided accommodations. Costs shown for Accommodation (includes grants in lieu of taxes) allocated by square footage.
(3) The Department of Justice and Solicitor General provided Legal Services. Costs shown for Legal Services, allocated by estimated costs incurred by each program.
(4) The Department of Treasury Board and Finance provided internal audit services.
(5) The Department of Culture and Tourism provided consulting services.

Alberta Sport Connection
Schedule to Financial Statements
Tangible Capital Assets
Year Ended March 31, 2017
(in thousands)

	2017				2016	
	Land	Buildings 40 years	Equipment 10 years	Land Improvements 40 years	Total	Total
Estimated Useful Life	Indefinite	40 years	10 years	40 years		
Historical Costs ⁽¹⁾						
Beginning of Year	\$ 1,783	\$ 275	\$ 45	\$ 61	\$ 2,164	\$ 2,704
Additions	-	-	-	-	-	21
Disposals	-	-	-	-	-	-
Divestitures	-	-	-	-	-	(432)
Non-Grant Transfers to Alberta Environment and Parks	(661)	(218)	-	(25)	(904)	(129)
	<u>1,122</u>	<u>57</u>	<u>45</u>	<u>36</u>	<u>1,260</u>	<u>2,164</u>
Accumulated Amortization						
Beginning of Year	-	119	29	5	153	141
Amortization Expense	-	7	4	2	13	12
Effect of Disposals	-	-	-	-	-	-
Non-Grant Transfers to Alberta Environment and Parks	-	(109)	-	(3)	(112)	-
	<u>-</u>	<u>17</u>	<u>33</u>	<u>4</u>	<u>54</u>	<u>153</u>
Net Book Value at March 31, 2017	<u>\$ 1,122</u>	<u>\$ 40</u>	<u>\$ 12</u>	<u>\$ 32</u>	<u>\$ 1,206</u>	
Net Book Value at March 31, 2016	<u>\$ 1,783</u>	<u>\$ 156</u>	<u>\$ 16</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ 2,011</u>

⁽¹⁾ Historical cost includes land improvement work-in-progress at March 31, 2017 Nil (2016 – \$21).

**Alberta Sport Connection
Schedule to Financial Statements
Artworks
Year Ended March 31, 2017
(Unaudited)**

The Corporation has artwork consisting of 17 prints (2016 – 17 prints) of the Waterfowl North America Collection #1250 with an approximate value of \$5,000.

Historic Resources Fund

Financial Statements

March 31, 2017

**Historic Resources Fund
Financial Statements
March 31, 2017**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Revenues

Schedule 2 – Expenses – Directly Incurred Detailed by Object

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



Independent Auditor's Report

To the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of the Historic Resources Fund, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Historic Resources Fund as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

June 1, 2017

Edmonton, Alberta

**Historic Resources Fund
Statement of Operations
Year Ended March 31, 2017
(in thousands)**

	2017		2016	
	Budget	Actual	Actual	
Revenues (Schedule 1)				
Jubilee Auditoria	\$ 7,212	\$ 5,953	\$	7,293
Interpretive Programs and Services	4,594	6,164		5,710
Promotion and Presentation	4,874	2,894		3,040
Other Initiatives	203	212		403
Provincial Archives	120	116		121
	17,003	15,339		16,567
Expenses – Directly Incurred (Note 2(b) and Schedules 2 and 4)				
Jubilee Auditoria	7,605	5,586		5,543
Interpretive Programs and Services	5,312	6,401		6,279
Promotion and Presentation	3,697	2,378		2,840
Other Initiatives	480	420		607
Provincial Archives	120	177		182
	17,214	14,962		15,451
Annual Operating Surplus	\$ (211)	\$ 377	\$	1,116
Accumulated Surplus, Beginning of Year		16,100		14,984
Non-Grant Transfer of Tangible Capital Assets with other Government Entities		261		-
Accumulated Surplus, End of Year		\$ 16,738	\$	16,100

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

**Historic Resources Fund
Statement of Financial Position
As at March 31, 2017
(in thousands)**

	2017	2016
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 13,579	\$ 13,054
Accounts Receivable (Note 5)	841	728
Inventories for Resale	527	484
	14,947	14,266
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	1,758	1,938
Deferred Revenue (Note 7)	1,114	1,039
	2,872	2,977
 Net Financial Assets	 12,075	 11,289
 Non-Financial Assets		
Tangible Capital Assets (Note 8)	4,663	4,811
	4,663	4,811
 Net Assets	 16,738	 16,100
 Net Assets		
Accumulated Surplus, Beginning of Year (Note 9)	16,100	14,984
Non-Grant Transfer of Tangible Capital Assets with other Government Entities	261	-
Annual Operating Surplus	377	1,116
Accumulated Surplus, End of Year	\$ 16,738	\$ 16,100
 Contractual Obligations (Note 10)		

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

Historic Resources Fund
Statement of Changes in Net Financial Assets
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Annual Operating Surplus	\$ (211)	\$ 377	\$ 1,116
Acquisition of Tangible Capital Assets (Note 8)	(665)	(389)	(1,280)
Amortization of Tangible Capital Assets (Note 8)	876	798	701
Loss on Disposal of Tangible Capital Assets		-	3
Proceeds on Sale or Transfer (Disposal) of Tangible Capital Assets		-	-
		786	540
Increase in Net Financial Assets in the Year		786	540
Net Financial Assets, Beginning of Year		11,289	10,749
Net Financial Assets, End of Year		\$ 12,075	\$ 11,289

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

**Historic Resources Fund
Statement of Cash Flows
Year Ended March 31, 2017
(in thousands)**

	2017	2016
Operating Transactions		
Annual Operating Surplus	\$ 377	\$ 1,116
Non-cash Items		
Amortization of Tangible Capital Assets (Note 8)	798	701
Loss on Disposal of Tangible Capital Assets	-	3
Deferred Contributions recognized as Revenue (Note 7)	(604)	(694)
	571	1,126
(Increase) Decrease in Accounts Receivable	(113)	46
(Increase) Decrease in Inventories for Resale	(43)	238
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(180)	456
Contributions Restricted for Operating(Note 7)	679	596
	914	2,462
Cash Provided by Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	(389)	(1,280)
	(389)	(1,280)
Cash (Applied to) Capital Transactions		
Increase in Cash and Cash Equivalents	525	1,182
Cash and Cash Equivalents at Beginning of Year	13,054	11,872
Cash and Cash Equivalents at End of Year	\$ 13,579	\$ 13,054

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

Note 1 Authority and Purpose

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

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

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

(a) Reporting Entity

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

(b) Basis of Financial Reporting

Revenues

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

Government Transfers

Transfers from all governments are referred to as government transfers.

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

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Donations and Non-Government Contributions

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

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

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

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

Investment Income

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

Expenses

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

Directly Incurred

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

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2017**

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurred by Others

Services contributed by other entities in support of the Fund's operations are not recognized and are 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:

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

Financial Assets

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.

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.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2017**

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

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities represent present obligations of the Fund to external organizations and individuals arising from transactions or events occurring before the year end. 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 limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to the acquisition or construction of the asset.

Work in progress, 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.

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. Unless not reasonably determinable, contributed tangible capital assets are recorded at fair value.

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

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.

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
Adoption of this standard requires corresponding adoption of: PS 2601 Foreign Currency Translation; PS 1201 Financial Statement Presentation; and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments. The Fund has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

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

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

Note 4 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2017	2016
Unrestricted Cash	\$ 521	\$ 697
Externally Restricted Cash	657	695
Internally Restricted Cash	12,401	11,662
Total	\$ 13,579	\$ 13,054

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, 2017, securities held by CCITF had a time-weighted return of 0.9% (2016 – 0.8%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

Note 5 Accounts Receivable
(in thousands)

	2017		2016	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 800	\$ (5)	\$ 795	\$ 601
Other Receivable	46	-	46	127
	\$ 846	\$ (5)	\$ 841	\$ 728

Accounts receivable are unsecured and non-interest bearing.

Note 6 Accounts Payable
(in thousands)

	2017	2016
Trade Accounts Payable	\$ 1,637	\$ 1,239
Other	121	699
	\$ 1,758	\$ 1,938

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

Note 7 Deferred Revenue
(in thousands)

	2017	2016
Unearned Revenue (a)	\$ 457	\$ 343
Deferred Revenue (b)	657	696
	\$ 1,114	\$ 1,039

(a) Unearned Revenue

Represent amounts received in advance of providing goods or services.

	2017	2016
Balance, Beginning of Year	\$ 343	\$ 434
Received/Receivable During Year	551	497
Less Amounts Recognized as Revenue	(437)	(588)
Balance, End of Year	\$ 457	\$ 343

(b) Deferred Contributions

Represent externally restricted contributions received relating to expenses of future years.

	2017	2016
Balance, Beginning of Year	\$ 696	\$ 703
Received/Receivable During Year	128	99
Less Amounts Recognized as Revenue	(167)	(106)
Balance, End of Year	\$ 657	\$ 696

Historic Resources Fund
Notes to the Financial Statements
March 31, 2017

Note 8 Tangible Capital Assets
(in thousands)

	2017			2016
	Equipment	Computer Hardware and Software	Total	Total
Estimated Useful Life	3 - 20 years	5 years		
Historical Cost ⁽¹⁾				
Beginning of Year	\$ 12,289	\$ 269	\$ 12,558	\$ 11,296
Additions	389	-	389	1,280
Disposals, Including Write-Downs	(202)	-	(202)	(18)
Non-Grant Transfers (to) from Others ⁽²⁾	167	-	167	-
	12,643	269	12,912	12,558
Accumulated Amortization				
Beginning of Year	7,514	233	7,747	7,061
Amortization Expense	778	20	798	701
Effect of Disposals, Including Write-Downs	(202)	-	(202)	(15)
Non-Grant Transfers (to) from Others ⁽²⁾	(94)	-	(94)	-
	7,996	253	8,249	7,747
Net Book Value at March 31, 2017	\$ 4,647	\$ 16	\$ 4,663	
Net Book Value at March 31, 2016		\$ 36		\$ 4,811

⁽¹⁾ Historical cost includes equipment work-in-progress at March 31, 2017 totalling \$431 (2016 – \$518).

⁽²⁾ Transfer of equipment was made to Department of Infrastructure at a net book value of \$46 and transfer of equipment was made from the Department of Culture and Tourism at a net book value of \$307.

**Historic Resources Fund
Notes to the Financial Statements
March 31, 2017**

Note 9 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	Internally Restricted - Glenbow Alberta Institute ⁽¹⁾	Internally Restricted - Jubilee Auditoria ⁽²⁾	Net Investment in Tangible Capital Assets		Unrestricted	Total
			Internally Restricted - Jubilee Auditoria	Net Investment in Tangible Capital Assets		
Balance, April 1, 2016	\$ 172	\$ 9,711	\$ 4,338	\$ 473	\$ 1,406	\$ 16,100
Annual Operating Surplus (Deficit)	(4)	367	-	-	14	377
Net Investment in Capital Assets	-	243	(243)	95	(95)	-
Non-Grant Transfer of Capital Assets with other Government Entities	-	307	-	-	(46)	261
Balance, March 31, 2017	\$ 168	\$ 10,628	\$ 4,095	\$ 568	\$ 1,279	\$ 16,738

⁽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, 2017

Note 10 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.

	2017	2016
Service Contracts	\$ 7,433	\$ 6,882

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

	Service Contracts
2017-18	\$ 7,142
2018-19	127
2019-20	92
2020-21	72
2021-22	-
Thereafter	-
	\$ 7,433

Note 11 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 12 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, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Federal Government Transfers	\$ -	\$ 9	\$ 200
Government of Alberta Transfers			
Transfers from Travel Alberta Corporation	-	23	116
Investment Income	86	114	105
Premiums, Fees and Licenses			
Admission Fees	4,700	6,268	5,736
Lands and Grazing	-	28	24
	4,700	6,296	5,760
Other Revenue			
Sales	3,671	3,869	4,785
Rental Revenue	4,791	3,340	4,095
Recoveries	3,710	1,356	1,273
Other Grants and Contributions	-	215	117
Donations	45	40	35
Prior Years Refunds of Expenses	-	67	17
Other Miscellaneous Revenue	-	10	64
	12,217	8,897	10,386
Total Revenues	\$ 17,003	\$ 15,339	\$ 16,567

Historic Resources Fund
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Contracted Services	\$ 7,539	\$ 7,364	\$ 7,670
Supplies and Services from Support			
Service Arrangements with Related Parties ^{(1) (2)}	2,956	3,679	3,379
Materials and Supplies	4,749	1,979	2,207
Consumption of Inventories	650	302	565
Amortization of Tangible Capital Assets	876	798	701
General Office	349	670	734
Travel	91	55	77
Financial Transactions and Other	-	107	108
Hosting	4	8	10
	<u>\$ 17,214</u>	<u>\$ 14,962</u>	<u>\$ 15,451</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, 2017
(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements.

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

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

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Revenues				
Transfers from Travel Alberta Corporation	\$ 23	\$ 116	\$ -	\$ -
Other Revenue	-	-	3	8
	<u>\$ 23</u>	<u>\$ 116</u>	<u>\$ 3</u>	<u>\$ 8</u>
Expenses – Directly Incurred				
Other services	\$ -	\$ -	\$ 370	\$ 460
Non-Grant Transfers of Tangible Capital Assets In (Out)	\$ 307	\$ -	\$ (46)	\$ -
Receivable from	\$ 307	\$ 10	\$ -	\$ -
Payable to	\$ 763	\$ 544	\$ 377	\$ 434
Contractual Obligations	\$ -	\$ -	\$ 473	\$ 131

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

Historic Resources Fund
Schedule to Financial Statements
Related Party Transactions
Year Ended March 31, 2017
(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 recorded in the financial statements but are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2017	2016	2017	2016
Expenses – Incurred by Others				
Other Services	\$ 508	\$ 446	\$ -	\$ -
Accommodation	-	-	199	194
	<u>\$ 508</u>	<u>\$ 446</u>	<u>\$ 199</u>	<u>\$ 194</u>

Historic Resources Fund
Schedule to Financial Statements
Allocated Costs
Year Ended March 31, 2017
(in thousands)

Program	2017				2016
	Expenses ⁽¹⁾	Other Services ⁽²⁾	Accommodation ⁽³⁾	Business Services ⁽⁴⁾	
					Expenses – Incurred by Others
Jubilee Auditoria	\$ 5,586	\$ -	\$ 73	\$ 4	\$ 5,663
Interpretive Programs and Services	6,401	346	83	-	6,830
Promotion and Presentation	2,378	129	31	-	2,538
Other Initiatives	420	23	6	-	449
Provincial Archives	177	10	2	-	189
	<u>\$ 14,962</u>	<u>\$ 508</u>	<u>\$ 195</u>	<u>\$ 4</u>	<u>\$ 15,669</u>
					<u>\$ 16,090</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.

⁽⁴⁾ The Department of Treasury Board and Finance provided internal audit services.

Travel Alberta

Financial Statements

March 31, 2017

**Travel Alberta
Financial Statements
March 31, 2017**

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses –Detailed by Object

Schedule 2 – Salary and Benefits Disclosure

Schedule 3 – Related Party Transactions

Independent Auditor's Report

To the Board of Directors of Travel Alberta and the Minister of Culture and Tourism

Report on the Financial Statements

I have audited the accompanying financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2017, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2017, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher FCPA, FCA]

Auditor General

May 17, 2017

Edmonton, Alberta

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

	2017		2016
	Budget (Note 4)	Actual	Actual
Revenues			
Government Transfer			
Government of Alberta Grant	\$ 49,450	\$ 49,450	\$ 54,450
Investment Income	380	253	406
Premiums, Fees and Licences	440	255	265
Sponsorship		104	145
Revenue from Partners	150	1,265	1,254
	<u>50,420</u>	<u>51,327</u>	<u>56,520</u>
Expenses (Note 2(b) and Schedule 1)			
Global Marketing	35,810	35,436	39,050
Regional Industry Marketing	9,440	10,724	10,363
Corporate Operations	5,221	5,646	6,575
	<u>50,471</u>	<u>51,806</u>	<u>55,988</u>
Annual Operating (Deficit) Surplus	<u>\$ (51)</u>	\$ (479)	\$ 532
Accumulated Surplus, Beginning of Year		<u>8,078</u>	<u>7,546</u>
Accumulated Surplus, End of Year		<u>\$ 7,599</u>	<u>\$ 8,078</u>

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

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

	2017	2016
Financial Assets		
Cash and Cash Equivalents (Note 5)	\$ 26,067	\$ 15,829
Accounts Receivable (Note 6)	120	165
	26,187	15,994
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	18,904	8,134
	18,904	8,134
 Net Financial Assets	 7,283	 7,860
 Non-Financial Assets		
Tangible Capital Assets (Note 8)	231	187
Prepaid Expenses (Note 6)	85	31
	316	218
 Net Assets	 \$ 7,599	 \$ 8,078
 Net Assets		
Accumulated Surplus (Note 9)	\$ 7,599	\$ 8,078
 Contractual Obligations (Note 10)		

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

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

	2017		2016
	Budget	Actual	Actual
Annual Operating (Deficit) Surplus	\$ (51)	\$ (479)	\$ 532
Acquisition of Tangible Capital Assets (Note 8)		(131)	-
Amortization of Tangible Capital Assets (Note 8)	51	65	54
Loss on Disposal of Tangible Capital Assets		22	-
Change in Prepaid Expenses		(54)	99
(Decrease) Increase in Net Financial Assets in the Year	\$ -	\$ (577)	\$ 685
Net Financial Assets, Beginning of Year		7,860	7,175
Net Financial Assets, End of Year		\$ 7,283	\$ 7,860

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

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

	2017	2016
Operating Transactions		
Annual Operating (Deficit) Surplus	\$ (479)	\$ 532
Non-cash Items		
Amortization of Tangible Capital Assets (Note 8)	65	54
Loss on Disposal of Tangible Capital Assets	22	-
	(392)	586
Decrease in Accounts Receivable	45	13
(Increase) Decrease in Prepaid Expenses	(54)	99
Increase in Accounts Payable and Accrued Liabilities	10,770	1,511
	10,369	2,209
Cash Provided by Operating Transactions		
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 8)	(131)	-
	(131)	-
Cash (Applied to) Capital Transactions		
Increase in Cash and Cash Equivalents	10,238	2,209
Cash and Cash Equivalents at Beginning of Year	15,829	13,620
Cash and Cash Equivalents at End of Year	\$ 26,067	\$ 15,829

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

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 1 Authority and Purpose

Travel Alberta (the “Corporation”) operates under the authority of the *Travel Alberta Act*, Chapter T-6.5, Statutes of Alberta 2008.

The purpose of the Corporation is to:

- market tourism assets, attractions and opportunities present in Alberta, in domestic, national and international markets,
- promote Alberta as a destination for tourists and other visitors,
- assist Alberta’s tourism industry operators to market their products, and
- exercise or perform any other powers, duties and functions as may be regulated from time to time by the Lieutenant Governor in Council.

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

(a) Reporting Entity

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

(b) Basis of Financial Reporting

Revenues

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

Revenue from Partners is received or receivable for specific marketing projects. The revenue is recognized as the projects take place.

Government Transfers

Transfers from all governments are referred to as government transfers.

Travel Alberta
Notes to the Financial Statements
March 31, 2017

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 transfer.

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.

Directly Incurred

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

Valuation of Financial Assets and Liabilities

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

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

The carrying value of these financial assets and liabilities approximates their fair value.

Travel Alberta
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Financial Assets

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 represent present obligations of the Corporation's to external organizations and individuals arising from transactions or events occurring before the year end. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include contingent liabilities where future liabilities are likely.

Foreign Currency Translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Statement of Financial Position date.

Travel Alberta
Notes to the Financial Statements
March 31, 2017

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

(b) Basis of Financial Reporting (continued)

Non Financial Assets

Non-financial assets are limited to tangible capital assets and prepaid expenses

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Furniture and Equipment	5 Years
Computer Hardware and Software	3 Years
Leasehold Improvements	Term of lease

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

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

Prepaid Expense

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

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, 2017.

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 3 Future Accounting Changes

The Public Sector Accounting Board issued the following accounting standards:

- **PS2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)**
PS 2200 defines a related party and establishes disclosures required for related party transactions; PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.
- **PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights (effective April 1, 2017)**
PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; PS 3380 defines and establishes disclosure standards on contractual rights.
- **PS3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3450 Financial Instruments (effective April 1, 2019)**
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 Corporation has not yet adopted this standard and has the option of adopting it in fiscal year 2019-20 or earlier.

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

Note 4 Budget
(in thousands)

A preliminary business plan with a budgeted deficit of \$51 was approved by the Board on May 09, 2016 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 \$51 deficit and additional reclassifications required for more consistent presentation with current and prior year results

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 5 Cash and Cash Equivalents
(in thousands)

Cash and cash equivalents consist of:

	2017	2016
Consolidated Cash Investment Trust Fund Cash	\$ 9,874	\$ 23
Cash and Cash Equivalents	16,193	15,806
Total	\$ 26,067	\$ 15,829

Cash and cash equivalents consists of funds in operating accounts and deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital.

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, 2017, securities held by CCITF had a time-weighted return of 0.9% (2016 – 0.8%) per annum. Due to the short-term nature of these deposits, the carrying value approximates fair value.

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 6 Accounts Receivable and Prepaid Expenses
(in thousands)

	2017		2016	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 120	\$ -	\$ 120	\$ 165
Prepaid Expenses	85	-	85	31
	<u>\$ 205</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 196</u>

Accounts receivable are unsecured and non-interest bearing.

Note 7 Accounts Payable and Accrued Liabilities
(in thousands)

	2017	2016
Trade Accounts Payable	\$ 14,866	\$ 3,411
Accruals and Other Liabilities	4,038	4,723
	<u>\$ 18,904</u>	<u>\$ 8,134</u>

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 8 Tangible Capital Assets
(in thousands)

	2017				2016
	Computer Hardware and Software	Leasehold Improvements	Equipment	Total	Total
Estimated Useful Life	3 years	Term of lease	5 years		
Historical Cost					
Beginning of Year	\$ 319	\$ 456	\$ -	\$ 775	\$ 775
Additions	56	-	75	131	-
Disposals, Including Write-Downs	-	(49)	-	(49)	-
	375	407	75	857	775
Accumulated Amortization					
Beginning of Year	319	269	-	588	534
Amortization Expense	16	48	1	65	54
Effect of Disposals, Including Write-Downs	-	(27)	-	(27)	-
	335	290	1	626	588
Net Book Value at March 31, 2017	\$ 40	\$ 117	\$ 74	\$ 231	
Net Book Value at March 31, 2016	\$ -	\$ 187	\$ -		\$ 187

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 9 Accumulated Surplus
(in thousands)

Accumulated surplus is comprised of the following:

	Investment In Tangible Capital Assets	Sustainability Fund ⁽¹⁾	Unrestricted	Total
Balance, April 1, 2016	\$ 187	\$ 7,891	\$ -	\$ 8,078
Annual Operating (Deficit)	-	(479)	-	(479)
Net Investment in Capital Assets	44	(44)	-	-
Balance, March 31, 2017	<u>\$ 231</u>	<u>\$ 7,368</u>	<u>\$ -</u>	<u>\$ 7,599</u>

⁽¹⁾ The internally restricted Sustainability Fund, approved by the Board of Directors, allows sustainability of programs in future years when declines in funding would have otherwise required reductions in the program spending.

Travel Alberta
Notes to the Financial Statements
March 31, 2017

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.

	2017	2016
Operating Leases	\$ 2,965	\$ 4,411
Grants	600	899
Service Contracts	35,401	31,720
	\$ 38,966	\$ 37,030

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

	Total
2017-18	\$ 31,486
2018-19	6,381
2019-20	1,080
2020-21	19
2021-22	-
Thereafter	-
	\$ 38,966

Note 11 Benefit Plans

The Corporation participates in the following multi-employer pension plans: the 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 \$1,214 for the year ended March 31, 2017 (2016: \$1,335). 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, 2016 the Management Employees Pension Plan reported a surplus of \$402,033 (2015 - surplus \$299,051), the Public Service Pension Plan reported a surplus of \$302,975 (2015 - deficiency \$133,188) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$50,020 (2015 - deficiency \$16,305).

Travel Alberta
Notes to the Financial Statements
March 31, 2017

Note 12 Financial Risk Management

The Corporation has the following financial instruments: accounts receivable, accounts payable and accrued liabilities.

The Corporation has exposure to the following risks from 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 short-term investments will fluctuate because of changes in market interest rates. As the Corporation invests in short term deposits 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 resources and investing in short-term 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. Price risk is managed by holding short-term deposits.

(d) Credit risk

The Corporation is not exposed to any significant credit risk from potential non-payment of accounts receivable. As at March 31, 2017, the balance of accounts receivables does not contain amounts that are uncollectible.

Note 13 Comparative Figures

Certain 2016 figures have been reclassified to conform to the 2017 presentation.

Note 14 Approval of Financial Statements

The Financial Statements were approved by the Board of Directors on May 17, 2017.

Travel Alberta
Expenses –Detailed by Object
Year Ended March 31, 2017
(in thousands)

	2017		2016
	Budget	Actual	Actual
Salaries, Wages and Employee Benefits	\$ 7,520	\$ 9,043	\$ 9,406
Supplies and Services	35,900	35,723	39,454
Grants ⁽¹⁾	7,000	6,941	7,070
Financial Transactions and Other	-	34	4
Amortization of Tangible Capital Assets	51	65	54
	\$ 50,471	\$ 51,806	\$ 55,988

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

Travel Alberta
Salary and Benefit Disclosure
Year Ended March 31, 2017
(in thousands)

	2017			2016	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total
Chair of the Board of Directors	\$ -	\$ 17	\$ 4	\$ 21	\$ 25
Members of the Board of Directors ⁽⁴⁾	-	22	1	23	43
<u>Executives</u>					
Chief Executive Officer	230	12	57	299	290
Vice President, Business Development	170	6	47	223	194
Vice President, Global Consumer Marketing	170	9	47	226	197
Vice President, Industry Development	170	-	48	218	213
Vice President, Community Relations ⁽⁵⁾	22	41	14	77	170
Vice President, Finance and Corporate Administration	160	-	47	207	111
	\$ 922	\$ 107	\$ 265	\$ 1,294	\$ 1,243

⁽¹⁾ Base salary includes regular salary.

⁽²⁾ Other cash benefits include honoraria, vacation payouts and retiring allowance.

⁽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, professional memberships and tuition fees.

⁽⁴⁾ The board consists of eleven independent members including the Chair, whose honorarium is disclosed separately.

⁽⁵⁾ The Vice President, Community Relations was on a leave of absence until January 2017, at which time this position was abolished.

Travel Alberta
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

Related parties include those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's financial statements, and also include companies associated with members of the Corporation's Board of Directors. The Corporation and its employees paid or collected certain taxes and fees set by regulation for permits, 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.

Related parties also include:

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

One of the private companies provides printing services to Travel Alberta amounting to \$13 up to September 30, 2016 (2016 - \$48). These services are provided on normal commercial terms which represent fair value.

The other private company holds a long term lease with Travel Alberta for its Calgary office premises. Travel Alberta entered into the lease contract in September 2009 and paid \$500 up to September 30, 2016 (2016 - \$946) pursuant to the lease terms. The lease is based on normal commercial terms and the lease terms represented fair value at the inception of the lease.

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

The enterprise provides IT services to Travel Alberta amounting to \$78 up to July 31, 2016 (2016 - \$1,015). These services are provided on normal commercial terms which represents fair value.

Travel Alberta
Related Party Transactions
Year Ended March 31, 2017
(in thousands)

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

	<u>2017</u>	<u>2016</u>
Revenues		
Grants	\$ 49,450	\$ 54,450
Other	<u>2</u>	<u>9</u>
	49,452	54,459
Expenses		
Grants	23	116
Other Services	<u>602</u>	<u>2,021</u>
	<u>\$ 48,827</u>	<u>\$ 52,322</u>
Tangible Capital Assets Transferred In (Out)	<u>\$ -</u>	<u>\$ -</u>
Receivable from/Payable to	<u>\$ (9,832)</u>	<u>\$ (88)</u>
Debt to Related Parties	<u>\$ -</u>	<u>\$ -</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ 5,021</u>

Other Financial Information - unaudited

Ministry of Culture and Tourism
Statements of Writeoffs Year Ended March 31, 2017

The following has been prepared pursuant to section 23 of the Financial Administration Act. This statement includes all writeoffs made or approved during the fiscal year. There were no remissions or compromises.

Writeoffs

Accounts Receivable	\$16,566.71
Inventory	\$21,426.48
Tangible Capital Assets	\$92,520.76
Total Writeoffs	<u>\$130,513.95</u>

Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure Act* requires the ministry to report annually on the following parts of the Act:

- (a) the number of disclosures received by the designated officer of the Public Interest Disclosure Office, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
- (b) the number of investigations commenced by the designated officer as a result of disclosures;
- (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.

In 2016-17 for the ministry, there were no disclosures of wrongdoing or investigations undertaken by the Public Interest Disclosure Office.

Acts Administered by Culture and Tourism

The Ministry of Culture and Tourism is responsible for a wide array of acts that have a direct impact on quality of life in Alberta. Below is a list of all the acts administered by the ministry. The acts are available on the ministry's website (www.culture.alberta.ca/about/legislation/).

NAME OF ACT	DESCRIPTION
<i>Alberta Centennial Medal Act</i>	Establishes the Centennial Medal as an official honour of the Crown in right of Alberta to recognize individuals who have made significant contributions to society and to honour their outstanding achievements.
<i>Alberta Foundation for the Arts Act</i>	Establishes the foundation with its mandate to support and contribute to the development of and to promote the arts in Alberta; development to provide persons and organizations with the opportunity to participate in the arts in Alberta; to foster and promote the enjoyment of works of art by Alberta artists; to collect, preserve and display works of art by Alberta artists; to encourage artists resident in Alberta in their work.
<i>Alberta Sport Connection Act</i>	Establishes the corporation with its mandate to develop and maintain sport programs, facilities and services; and to raise funds to assist the corporation in carrying out its objects.
<i>Emblems of Alberta Act</i>	Establishes provincial emblems and governs the reproduction and use of emblems.
<i>Film and Video Classification Act</i>	Provides a comprehensive procedure for the classification and regulation of films, and provides for the dissemination of information concerning the nature and content of films.
<i>First Nations Sacred Ceremonial Objects Repatriation Act</i>	Provides the mechanism for the repatriation of First Nations sacred ceremonial objects.
<i>Foreign Cultural Property Immunity Act</i>	Provides immunity from seizure of foreign cultural property in Alberta.
<i>Glenbow-Alberta Institute Act</i>	Establishes the corporation name "Glenbow-Alberta Institute" to promote and encourage the acquisition and diffusion of knowledge of the human race, its arts, its history and the nature of the world in which it lives, in the manner that best serves the educational and cultural needs of the peoples of Alberta.
<i>Historical Resources Act</i>	Provides the co-ordination of the orderly development, preservation, the study and interpretation, the promotion of appreciation and management of Alberta Historic Resources; establishes The Historic Resources Fund and The Alberta Historical Resources Foundation.
<i>Holocaust Memorial Day and Genocide Remembrance Act</i>	Establishes Yom ha-Shoah, the Day of the Holocaust as determined in each year by the Jewish lunar calendar as – "Holocaust Memorial Day."
<i>Queen Elizabeth II Golden Jubilee Recognition Act</i>	Establishes special awards and scholarships that honour Alberta youth in recognition of the Queen's Golden Jubilee.

Acts Administered by Culture and Tourism

NAME OF ACT	DESCRIPTION
<i>Travel Alberta Act</i>	Establishes the corporation with its mandate to market the tourism assets, attractions and opportunities present in Alberta in domestic, national and international markets; to promote Alberta as a destination for tourists and other visitors; and to assist Alberta's tourism industry operators to market their products.
<i>Ukrainian Famine and Genocide (Holodomor) Memorial Day Act</i>	Establishes the 4th Saturday in November in each year as "Ukrainian Famine and Genocide (Holodomor) Memorial Day."

Readership Survey

Culture and Tourism 2016-17 Annual Report

Thank you for reading the Culture and Tourism 2016-17 Annual Report. We hope that you will take a few minutes to complete this readership survey. We are committed to continuous improvement and welcome your feedback and suggestions.

Instructions:

Please read each question carefully and circle the rating that best describes your response. If you require more space for your response, please use a separate piece of paper and identify the corresponding question clearly. If you have any questions, or require further clarification, contact Richard Williams at 780-643-1978 or Richard.Williams@gov.ab.ca.

If you would like to be contacted regarding your feedback, please provide your information below.

Name:

Organization:

Telephone Number:

Email:

- Having read the *Culture and Tourism 2016-17 Annual Report*, how would you rate it overall on the following characteristics? Using scale one to five, where ONE is STRONGLY DISAGREE, THREE is NEUTRAL, and FIVE is STRONGLY AGREE, do you agree that... *(Please circle only one rating number for each statement.)*

	strongly disagree		neutral		strongly agree
I learned something new about the ministry reading this report	1	2	3	4	5
This annual report is easy to read	1	2	3	4	5
This annual report was informative and useful to me	1	2	3	4	5
The report has an appealing format/look	1	2	3	4	5
I can easily find information that I am looking for	1	2	3	4	5
I plan on using this annual report as a reference	1	2	3	4	5
Overall, this annual report meets my needs as a reader	1	2	3	4	5

- What areas or features did you like the most about this annual report?

- What areas or features would you recommend for further improvement?

Please complete and fax it to 780-427-0255 or mail it to Culture and Tourism, Planning and Performance Measurement, 7th Floor, Standard Life Centre, 10405 Jasper Avenue, Edmonton, Alberta, Canada, T5J 4R7.

