



2015-16 Annual Report

Alberta ■

Table of Contents

Message from the AFA Board of Directors	3
Foundation Mandate.....	4
Foundation Vision.....	4
Foundation Mission.....	4
Goals of the Foundation, 2015-18 Alberta Foundation for the Arts Strategic Plan.....	4
Alberta Foundation for the Arts Board Membership during 2015-2016.....	4
Board Committees	5
Board Governance Practices	5
Strategic Planning.....	5
Adaptive Change.....	6
Linkages to the 2015-18 Culture and Tourism Business Plan	6
Overview of Granting and Art Acquisition.....	7
Results Analysis, 2015-18 Alberta Foundation for the Arts Strategic Plan.....	9
2015-16 Financial Statements for the Alberta Foundation for the Arts.....	11

Message from the AFA Board of Directors

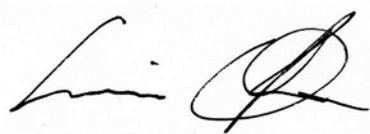
As the Government of Alberta's primary supporter of Alberta's artists and arts organizations, the Alberta Foundation for the Arts (AFA) contributes greatly to our province's dynamic cultural identity by providing ongoing support and promotion of local arts activities. We strive to promote the development, accessibility, and recognition across Alberta of all artistic disciplines.

The AFA's activities in 2015-16 reflect its commitment to delivering consistent support to Alberta's arts community, despite a challenging fiscal environment. The AFA's protection of operational funding levels for Alberta arts organizations, for instance, was a lifeline that helped protect jobs and programs. Through robust and stable funding for the Alberta Foundation for the Arts, the Government of Alberta demonstrates its ongoing commitment to our vision of Alberta: a vibrant arts community that is part of the fabric of how we live and work, and inspires creativity and innovation.

At the same time, the AFA continued to invest in innovation and development of adaptability in the arts sector. Through partnership with New York's EmcArts, the AFA supported 35 arts organizations in Calgary and Edmonton to attend *New Pathways*, a series of workshops and coaching aimed at expanding their capacity for adaptive change in the face of complex challenges. In 2016, the AFA itself began its own adaptive change process to ensure that we continue to deliver innovative support to our arts communities.

Participation in diverse cultural opportunities enhances Albertans' quality of life, and contributes to vibrant communities. AFA funded programs enrich the lives of Albertans of all ages and many cultural and socio-economic backgrounds. The AFA helps foster healthy communities and workplaces, and contributes to the diversification of Alberta's economy. We look forward to reflecting upon and celebrating the enormous impact the AFA has had over the past quarter century as we celebrate our 25th anniversary in September 2016.

I am pleased to present the AFA 2015-16 Annual Report.



Liam Oddie, Acting Chair
Alberta Foundation for the Arts

Foundation Mandate

The Alberta Foundation for the Arts was established in 1991 as a crown agency of the Government of Alberta, accountable to the Minister of Culture and Tourism. The purposes of the foundation, as stipulated in the *Alberta Foundation for the Arts Act*, are to:

- a. support and contribute to the development of, and to promote, the arts in Alberta;
- b. provide persons and organizations with the opportunity to participate in the arts in Alberta;
- c. foster and promote the enjoyment of works of art by Alberta artists;
- d. collect, preserve and display works of art by Alberta artists; and
- e. encourage artists residing in Alberta in their work.

Foundation Vision

The Alberta Foundation for the Arts sees an Alberta where a vibrant arts community inspires creativity and innovation and is part of the fabric of how we live and work.

Foundation Mission

The Alberta Foundation for the Arts exists to fund, encourage and support the development of arts as a valuable contributor to quality of life in Alberta, and to maintain and expand the foundation's art collection as a strategic resource for all Albertans.

Goals of the Foundation, 2015-18 Alberta Foundation for the Arts Strategic Plan

- Facilitate opportunities for Albertans to value and engage in the arts.
- Foster appreciation and awareness of Alberta's visual arts through the AFA collection.
- Support arts that encourage excellence, provide public access, build capacity and strive for sustainability.

Alberta Foundation for the Arts Board Membership during 2015-2016

Name	Location	Start Date	End Date	Name	Location	Start Date	End Date
Joan Udell, Chair	Hinton	2009	--	Frederick McDonald	Fort MacKay	2015	--
Liam Oddie, Vice Chair	Calgary	2015	--	Candace Hook	Grande Prairie	2015	--
Aleem Bharwani	Calgary	2014	--	Tyler Stewart	Lethbridge	2015	--
Susan Kristoferson	Calgary	2012	2015	Terry Cooper	Medicine Hat	2012	2015
Lindsay Kelly	Edmonton	2010	2016	Glorene Ellis	Red Deer	2009	2015
Joan Pitfield	Edmonton	2009	2015	Hilary Rose	Sherwood Park	2012	2015
Luca Petryshyn	Edmonton	2015	--				

Board Committees

Four standing committees carry out the work of the Alberta Foundation for the Arts (AFA).

The **Collection Committee** makes recommendations to the board on collection policy, programs and services, and the acquisition and deaccessioning of AFA collection artworks.

The **Finance and Strategy Committee** makes recommendations to the board on matters of organizational strategy, business planning, and finance.

The **Grants Committee** makes recommendations to the board on grants, other adjudication matters, and grant policy and guidelines.

The **Research and Communication Committee** makes recommendations to the board on AFA research and communication initiatives to strengthen the value of the arts for Albertans.

Board Governance Practices

The AFA board is compliant with the governance practices established in the *Alberta Public Agencies Governance Act* and the *Public Agencies Governance Framework*. The board uses a governance framework to define accountability between the board and the minister. The board provides the oversight and strategic decision making for the foundation, while delegating day-to-day administration to the department. The AFA board governance framework includes:

- a detailed mandate and roles document defining the roles of the board and minister and the relationship between them;
- a code of conduct that reflects a commitment to the foundation's values and provides a framework to guide ethical conduct in a way that upholds the integrity and reputation of the agency;
- board governance guidelines and board-management delegation policies;
- orientation and corporate operations for new board members;
- accountability to the Government of Alberta;
- board job descriptions and key competency matrix;
- guidelines for agendas and annual planning;
- terms of reference for each board committee; and
- an active assessment of board effectiveness at each meeting.

The AFA board had a governance training day on March 8, 2016 to strengthen the governance capacity of all board members.

Strategic Planning

The foundation and AFA board of directors were guided by the 2015-18 *Alberta Foundation for the Arts Strategic Plan*, the *Alberta Foundation for the Arts Act* and the *Alberta Culture and Tourism Business Plan 2015-18*.

The board created action plans for each of the core areas of the foundation's mandate (art collection, arts granting, and arts research and communication), containing detailed sets of prioritized actions.

Adaptive Change

Adaptive change is a set of concepts and skills designed to help organizations adapt to complex challenges in the arts ecology. A variety of factors generate these challenges such as changing demographics, technology and funding models. Adaptive change is also about fostering public value in the arts.

In September 2014 the foundation began funding adaptive change initiatives for arts organizations across Alberta led by EmcArts, a non-profit organization and leader in adaptive change for arts organizations. These projects brought some of the preeminent thinking about arts development to Alberta. In the first year and a half of this initiative, 35 arts organizations participated in the workshops and coaching sessions.

In March 2015, the AFA board began the process of adaptive change for itself, recognizing the benefit of self-examination, surfacing complex challenges, and questioning of assumptions. This is the start of developing an adaptive response to the complex challenges associated with supporting a vast and diverse provincial arts ecosystem.

Linkages to the 2015-18 Culture and Tourism Business Plan

The work carried out by the foundation supported Desired Outcome Six of the *2015-18 Alberta Culture and Tourism Business Plan*:

“Alberta has a sustainable, vibrant arts sector and cultural industries that inspire creativity and innovation”.

Specifically, the AFA worked on Priority Initiative 6.2:

“Develop a plan to allocate increased funding to the Alberta Foundation for the Arts.”

The work of the AFA also contributed to Desired Outcome One of the ministry plan:

“Alberta has a thriving culture that is valued by Albertans.”

Overview of Granting and Art Acquisition

The foundation provided project funding to individual artists and ensembles, and grants supporting organizations with operating and project funding. The foundation also purchased works from Alberta artists for its art collection. This collection is stewarded and exhibited as a cultural resource for all Albertans.

Alberta Foundation for the Arts Granting and Art Collection by Year¹			
	2013-14	2014-15	2015-16
Allocation to the AFA from the Alberta Lottery Fund (\$ millions)	\$26.9	\$28.1	\$26.7
Grants awarded	1,169	1,128	978
Eligible grant applications ²	1,887	1,923	2,010
Percentage of applicants receiving grants	62.0	58.7	48.7
Value of grants awarded (\$ millions)	23.3	24.0	22.7
Funding shortfall (\$ millions)	11.1	8.8	11.6
Number of artworks purchased	38	59	66
Value of the AFA art collection (\$ millions)	\$13.3	\$13.8	\$14.7

The foundation was allocated \$26.7 million through the Alberta Lottery Fund in 2015-16. The board of directors approved 978 grants valued at nearly \$23 million.

\$20 million was awarded to organizations for arts programming through operating and project grants. Individual artists were supported with project grants valued at nearly \$3 million³. Demand for grants by Alberta artists and arts organizations continued to reflect the drive and creativity of Alberta artists and growth in the non-profit arts sector.

Operating grants are allocated proportionally using formulas based on an organization's eligible expenses⁴ or community derived revenue⁵. Community derived revenue is the amount of revenue non-profit organizations are able to raise through ticket sales and fundraising, and this amount grows each year for arts organizations in Alberta. Project grants are assessed and prioritized by an expert panel.

¹ Numbers for the two previous fiscal years were amended to ensure consistent reporting. Some values may vary from those in previous reports.

² Value does not include applications that were incomplete or withdrawn.

³ These amounts exclude supplies and services, which are detailed in the Financial Statements for the Alberta Foundation for the Arts (link on page 11 of this report).

⁴ AFA operational funding for Arts Presenting, Community Support Organizations, Provincial Arts Services Organizations, and Summer Schools is based on a percentage of eligible administration or programming expenses.

⁵ Community Performing Arts Organizations, Professional Performing Arts Companies, and Public Galleries.

Grants from the Alberta Foundation for the Arts by Year⁶			
	2013-14	2014-15	2015-16
Organization Operating Grants			
Grants awarded	370	384	393
Amount awarded (\$ millions)	14.4	15.2	15.1
Funding shortfall (\$ millions)	7.3	5.1	6.9
Organization Project Grants			
Grants awarded	407	406	315
Eligible applicants	537	542	547
Percentage of applicants receiving grants	75.8	74.9	57.6
Amount awarded (\$ millions)	5.4	5.8	5.0
Funding shortfall (\$ millions)	2.8	2.5	3.2
Individual Project Grants			
Grants awarded to individuals	392	338	270
Eligible applicants	978	997	1069
Percentage of applicants receiving grants	40.1	33.9	25.3
Amount awarded (\$ millions)	3.5	3.0	2.7
Funding shortfall (\$ millions)	1.0	1.2	1.4

The foundation actively collects visual artworks that 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.

Alberta Foundation for the Arts Statement of Artworks and Collections March 31, 2016 (unaudited)				
	2014-15		2015-16	
	Value (\$ thousands)	Number of Pieces	Value (\$ thousands)	Number of Pieces
Opening	13,227	8,521	13,821	8,600
Purchases	285	59	388	66
Donations	308	20	483	135
Dispositions	0	0	1	1
Totals	13,821	8,600	14,691	8,800

At March 31, 2016, the collection consisted of 8,800 (2015 – 8,600) artworks. The foundation has estimated the value at \$14,690,482 (2014 – \$13,820,982). During the year, the foundation purchased 66 (2015 – 59) artworks at a cost of \$387,594.75 (2015 – \$285,000). There were 135 (2015 – 20) donations accepted to the collection during the year. These donations were appraised at value of \$482,705 (2014 – \$307,500). There was one artwork deaccessioned during the year (2015 – none). The collection is insured.

⁶ Numbers for the two previous fiscal years were amended to ensure consistent reporting. Some values may vary from those in previous reports.

Results Analysis, 2015-18 Alberta Foundation for the Arts Strategic Plan

Goal: Facilitate opportunities for Albertans to value and engage in the arts.

- Collaborate with, and provide information to, related agencies and institutions to promote the value of the arts in Alberta;
- Widely share the value of the arts; and,
- Celebrate Alberta artists as cultural ambassadors.

On September 6, 2016, the Alberta Foundation for the Arts marked the 25th anniversary of the proclamation into force of the *Alberta Foundation for the Arts Act*. The Board of Directors identified this occasion as an opportunity to commemorate and celebrate the cumulative impact the AFA has had on the Alberta arts community since it was established in 1991, to investigate how the community itself has evolved over the past 25 years, and to provide opportunities to encourage Albertans to participate in the arts. To achieve these goals, the Board identified two priorities: redesign and redevelopment of the AFA website, and the creation of a public celebratory event or series of events as well as an associated marketing campaign to promote the 25th Anniversary during Alberta Culture Days 2016. After receiving direction from the Finance and Strategy Committee in mid-January, a framework of activities and programming, with an initial timeline, was developed. The project plan focussed on community engagement through the AFA's main organizational strengths: the distribution of funding through peer assessment to subsidize the creation of art, and the promotion of arts in Alberta. The following activities, scheduled to begin in fiscal 2016-17 were described in the plan:

- Creation of AFA 25th Anniversary web section and social media campaign;
- 25 online posts of describing key historical moments from the past 25 years, with content divided between the AFA organization/programs and the AFA Art Collection;
- Community generated list of 25 Influential Albertan artists from the past 25 years;
- Distribution of funding for up to five art projects by Alberta artists, up to \$25,000 each;
- Distribution of 25 Commemorative Emerging Art Champions Prizes, \$2,500 each; and,
- Other ancillary commemorative activities to be developed as required.

A Request for Proposals for the design and development of the AFA website and associated materials was issued, with evaluation and selection of a successful contractor scheduled for fiscal 2016-17.

Goal: Foster appreciation and awareness of Alberta's visual arts through the AFA collection.

- Invest in a Collection that reflects the excellence of Alberta artists;
- Safeguard the Collection by prioritizing sustainability and adhering to current professional management standards; and,
- Support and encourage programming that makes the Collection appropriately accessible.

The Legislative Assembly Art Placement Program (LAPP), established in 1976, is a cooperative partnership between the Legislative Assembly, Alberta Infrastructure, and Alberta Culture and Tourism. The LAPP program involves the selection and installation of artwork from the AFA Collection in public places such as the Legislative Assembly building, Government of Alberta offices, other levels of government, and non-profit organization offices and facilities. The AFA Collections staff is responsible for the preparation and inspection of the artwork before and after it goes on placement. The intention of this service is to provide greater public access to the AFA Collection while enhancing the quality of the public spaces in which artwork is displayed. The AFA Collection Art Placement team moved approximately 600 artworks from the collection in and out of government spaces in 2015-16.

One example of the success of the program is Premier Rachel Notley's 2015 holiday card. The Premier sent out an electronic card to staff featuring a piece of art from the AFA collection called "Before the Concert" by Pat Nokomis (1997). This was a result of the Premier's familiarity with the AFA Collection through the art placements in the Legislature and other government spaces.

Goal: Support arts that encourage excellence, provide public access, build capacity and strive for sustainability.

- Promote AFA programs to provide access to arts support;
- Encourage and support best practices for artists and arts organizations;
- Adapt to the changing arts ecology by encouraging innovation and sustainability; and,
- Respond to the changing needs of the arts community through continuous evaluation.

Prior to 2015, Major Arts Presenters (e.g. Edmonton Folk Music Festival Society, Calgary International Film Festival Society) typically received operating funding from a variety of AFA operating grant streams, namely: the current Arts Presenting; Community Support Organizations and Professional Performing Arts Organizations grant streams. The AFA recognized that the business model for these organizations, including their capacity to generate community derived revenue, is distinct and merits its own grant stream to properly support the role they play in Alberta's arts ecosystem. On June 16, 2015 the AFA Board approved, in principle, guidelines for the proposed Major Arts Presenters grant stream. This grant stream provides stable funding in three-year cycles to eligible professional organizations that offer public presentations of arts disciplines, in support of their programming, administrative and operating expenses. On September 2, 2015, organizations impacted by the new grant stream participated in a discussion and provided feedback. A transition plan for the first three-year cycle was implemented to ensure that all funding changes will be phased in across the initial three-year period to minimize potential disruptions. The program was launched in December 2015, and 13 organizations successfully applied for the April 1, 2016 deadline. On June 21, 2016, funding totalling \$1.5 million was approved to support these organizations.

2015-16 Financial Statements for the Alberta Foundation for the Arts

Financial statements for the Alberta Foundation for the Arts are included in the ministry's annual report and can be accessed at <http://culture.alberta.ca/about/annual-report/2016/2015-16-afa-financial-statements.pdf>.