



UNIVERSITY OF ALBERTA CENTENARY

ALL TRUE THINGS: CELEBRATING A CENTURY OF ACHIEVEMENT IN PUBLIC EDUCATION 2008

[HTTP://WWW.UALBERTACENTENNIAL.CA/](http://www.ualbertacentennial.ca/)

One hundred years. Twenty-one faculties. Sixty-four departments. Over 3,200 academic staff backed by support staff that number over 5,000. Over 36,000 students, a fourth of which represent 130 countries from around the world. The University of Alberta has much to celebrate after a century of academic excellence and achievement. Today's University is the end result of a bold vision that began in 1908 with five professors and 45 students in the top floor gymnasium of the Duggan Street School (now Queen Alexandra School). The University was a dream that has endured critics, the horror and sacrifice of two world wars, the Great Depression, and financial challenges. One hundred years later, the dream has proven to be well worth all the effort.

University of Alberta

AlbertaSource.ca

Heritage COMMUNITY FOUNDATION

Heritage Community Foundation

2007 Annual Report





Chief Honourary Patron's Message

Heritage Community Foundation Annual Report

As the Queen's representative in Alberta and Chief Honourary Patron for the Heritage Community Foundation, it gives me great pleasure to congratulate the Foundation on another outstanding year of operations.

Albertans are very proud of our multi-media Alberta Online Encyclopedia which provides our citizens with a unique and rich multimedia learning resource. This initiative represents a commitment to future generations to record the achievements of this province, its people and its communities. Noteworthy is the Cultural Inventory which includes a website with information on over 500 cultural organizations.

During the Heritage Canada Foundation conference in Edmonton this past year, I was very pleased to present Heritage Community Foundation President/Chair Morris Flewwelling, CM with the Lieutenant Governor's Award for Life Time Achievement in Heritage Conservation. Under the inspired leadership and commitment of Mr. Flewwelling and Dr. Adriana Davies, the future promises to be exciting for the Alberta Online Encyclopedia and other resource initiatives. To everyone involved with the Foundation and its partners I extend my profound appreciation and best wishes for future continuing success.

A handwritten signature in black ink, reading "Norman Kwong". The signature is fluid and cursive.

*Norman L. Kwong, CM AOE
Lieutenant Governor of Alberta*



President/Chair's Message

The Heritage Community Foundation has now been in existence for nine years furthering its charitable mandate of linking people with heritage through discovery and learning. We have been quietly accomplishing this important mandate primarily through the creation of multimedia learning resources about Alberta's historical, natural, cultural, scientific and technological heritage with our partners. These include museums, archives, historical societies, ethnocultural and community organizations, educational institutions and organizations, the media and public-spirited individuals.

In the past five years, the public demand for informative, reliable and content-rich websites has grown and the Foundation has been at the forefront of addressing this need. In the past three years, we have increased our websites from 30 to 71 and our visitation has grown 10 fold since 2003, from 250,000 to 3.7 million in 2007. To accommodate this growth and the growing demand on the Founding Executive Director, Dr. Adriana Davies, the Trustees decided to adopt a model present in most artistic organizations separating the artistic/creative and administrative/operational functions. In early 2007, the Foundation engaged JovicAndrejevic and Associates to assist in the implementation of the new organizational structure as the General Manager working with the Trustees. Dr. Davies focuses on the creative responsibilities as Editor-in-Chief. The new structure, by building capacity, allows the Foundation to grow and operate more efficiently. I would especially like to thank Vice-Chair/ Vice-President Satya Das for spearheading planning and the dedication of our Trustees to implementing the vision.

The breadth of our accomplishments was highlighted in the valuation undertaken by McNally Valuations Inc. They noted that revenues generated through public and private-sector contributions and contracts for services have totaled about \$7.8 million in the past nine years. The intellectual property value for our primary product, the Alberta Online Encyclopedia (www.albertasource.ca), is a staggering \$43 million based on Canadian Heritage criteria.

The Heritage Community Foundation truly brings Alberta to the world and the world to Alberta. This was recently recognized in the Legislative Assembly of Alberta when MLA George Rogers, in a Member Statement, noted:

Mr. Speaker Albertasource.ca, the Alberta Online Encyclopedia, is the brain child of the Heritage Community Foundation and was established with the help of a \$1 million Alberta Centennial Legacy grant. It is an Alberta treasure that resides in Cyber space. Mr. Speaker, this grant, matched 4:1 by the heritage Community Foundation, produced 32 new websites in the last two years, increasing the total websites to 73 in total – the value – a whopping \$43 million in intellectual property.

I am delighted to note our growing list of partners, front and centre being Alberta museums, since the Alberta Museums Association established the Foundation. It is wonderful to see these long-term relationships continuing and bearing fruit by giving museums and their collections the world-wide reach that they deserve. I am pleased to note that surveys conducted by both the Canadian Heritage Information Network and the Institute of Museum and Library Services in the US note that "website visitors are two and half times more likely to visit museums in-person. According to IMLS, 701 million people crossed museum doors, while 541 million visits were registered on their websites."

Thanks to our founding Executive Director and Editor-in-Chief Dr. Adriana A. Davies, the Heritage Community Foundation was positioned to seize the opportunities offered by the World Wide Web and Alberta's SuperNet. Together - the Trustees, staff, interns and volunteers - have created authoritative and informative online resources that help to educate Albertans and all users of the World Wide Web about our wonderful province. They also demonstrate the importance of preserving documents, records, artifacts and the range of community stories that make us unique. To understand ourselves, as individuals and as members of groups and civil society, we need to be knowledgeable about our collective past and what has brought us to this point in time, which is the beginning of the future.

There is no better-positioned organization to bridge the past and present through the use of new technology than the Heritage Community Foundation. It is a pleasure to lead such an important and unique organization.

F. Morris Flewwelling, C.M.
President/Chair



Editor-in-Chief's Message

The past year has been extremely productive for the creative side of the Heritage Community Foundation. We have worked with both old and new partners in developing dynamic websites about our heritage. We have also continued to fine-tune the marriage between content and technology that sets us apart from other organizations. The ninth operating year has also forced us to reflect on what we have done and how we have accomplished this work.

Those working in the heritage field know the importance of core collections and the breadth of research undertaken to understand them, exhibit them, create educational programs and publications. The Heritage Community Foundation has become an inseparable part of this process as our many museum partners can testify as we help them to showcase their collections by placing them in a context of meaning. We have also added a whole range of other partners, including ethnocultural and community organizations, that also are involved in cultural memory and living tradition projects that tell valuable individual and community stories. Another series of partners are institutions and organizations that are part of the formal education system – K to PhD – the needs of which we help address. Finally, there is our donor community ranging from the senior levels of government to public and private foundations, corporations, community organizations and individuals. All are interested in making accessible knowledge about Alberta – its land, people and communities – to the greatest possible audience.

The Foundation has become a leader in the democratization of knowledge through web publishing. The process that we have developed to create dynamic and accessible sites is important as it is multidisciplinary not only in terms of the humanities but also the new information and communications sciences. Partners provide the “raw” materials for the creation of multimedia products (images, documents, audio and video). The Foundation creates the multimedia products. We are a complete multimedia publisher undertaking the full range of research and technical development to produce interactive websites.

Very few organizations in Canada have the capacity to create “born digital” content. This explains, in part, the willingness of partners to work with us. The other is the trust that we have built over the years with the communities

we serve. This ranges from the museums of the Spirit of the Peace Museums Network and the Central Alberta Regional Museums Network to University of Alberta Learning Services to the Art Gallery of Alberta to government of Alberta departments to ethnocultural organizations such as the Aseniwuche Winewak First Nation, Ital-Canadian Seniors, Alberta's Estonian Heritage Society, the Black Pioneer Descendants' Society and l'Association canadienne-française de l'Alberta. All of those voices that need to be on Alberta's SuperNet. We thus have played an invaluable role in digital heritage creation and have been leaders not only in Alberta but also Canada and internationally. That is why we continue to receive funding the public and private sectors.

When Albertasource.ca is compared with other encyclopedias, there is a major difference – none of the ones currently residing on the World Wide Web are truly multimedia. They are conventional text-based products with images used for illustrative purposes. Our sites are “born digital” and that is an important distinction. Alberta, we have been told, has more authoritative content on the web of any province or state. We've been able to do this because of our specialization and expertise in this emerging field. We could not have done this without the dedication of our Trustees, professional staff, interns and contractors and our wonderful partners. While our products are educational, we are also an educational organization in our own right having hosted over 400 interns. It's important to note that Industry Canada considered us the prime internship location in IT in Canada.

We look forward to working with our existing partners and helping to address the needs of new ones. Sometimes it's difficult to be a pioneer but, after nine years of hard work, we are reaping the rewards of increasing demand on our services and public recognition.

Adriana A. Davies, Ph.D.
Executive Director



General Manager's Message

On behalf of JovicAndrejevic and Associates Inc, I am very proud that my partner Miki Andrejevic and I were part of new developments at the Heritage Community Foundation. As with many cultural organization of a certain vintage and maturity, the demands on the creative and production portfolio, grew exponentially with the increasing audience demands, thus requiring the Foundation to separate the creative functions from the administrative/operational duties. Implementing the structural changes envisioned by the Trustees made for an exciting year.

In 2007, we assisted the organization to forge a new operational structure to ensure that the creative arm of the Foundation continued to produce excellent websites responding to an increasing public demand. We developed and implemented a business and marketing plan, financial operations structures and a new approach in employment strategies – moving from an employment-based organization to expanding the talent pool by engaging various contractors to assist the organization in various tasks. Because of the organization's unique environment, we continued with the philosophy in training and providing opportunities to the younger generation through summer and year-long internships.

In financial operations, we engaged a seasoned Chartered Accountant, Dick Carter, and a Chartered Management Accountant, Jody Matwichuk, and developed new financial reporting systems. Due to the fact that the organization does not receive core funding and is project funded, we introduced a more efficient system for tracking funding proposals or Foundation's revenue potentials, thus ensuring accurate financial projections that also assisted in streamlining and visualizing the potential revenue opportunities for each project. While separating the creative functions from operational, we assisted the Editor-in-Chief develop a production plan that suited the nature of the organization as a major online publisher. In 2007, the Foundation made 45 applications totaling \$5.57 million, realizing \$1.03 million in revenue.

In our early analysis of the organization, we realized that, as an entity, the Foundation had numerous products and audiences – those that use the websites, those that would like to purchase the Foundation's know how to produce unique multimedia heritage websites, and the Province of Alberta, who directly benefited from the Foundation's work by bringing Alberta to the world and the world to Alberta. And yet, to many, except

for the 1.5 million individuals who access the Foundation's websites through Google and Yahoo, Albertasource.ca was a secret. As the first step to marketing the Foundation, we harnessed the Foundation's product Albertasource.ca - the Alberta Online Encyclopedia - and with a marketing package, started presenting to Alberta Government Caucuses, various Government Ministers and their departments. The current intent is to raise an endowment from the Province of Alberta as the intellectual property of Albertasource.ca has risen to a net worth of \$43 million.

We determined that the Heritage Community Foundation has an enormous revenue-generating potential, congruent with its charitable status, of developing heritage websites on demand – by selling its know how. Over the past 9 years, 43% of the Foundation's revenues were generated from service contracts. Over the next year it is our plan to determine and implement the process to continue the growth of revenues for the Foundation from entrepreneurial endeavours.

To help create awareness of Albertasource.ca, in 2007, our interns explored new mediums in exposing a number of our one-minute documentaries (Heritage Moments) featured on our websites to UTube where they are viewed daily by scores of individuals. They also promoted the Foundation and its products at various symposia and trade shows, including National Aboriginal Day.

As part of generating revenues from various other sources such as advertising, donations and sponsorships, we have implemented sponsorship opportunities with the first sponsor being featured on our Alberta, Naturally website. The significance for the sponsor is that they are exposed to hundreds and thousands of unique visitors, and with one click on the sponsor's logo one can directly access the sponsor's website. In many ways that has proven to be much better than print sponsorship, as the sponsor is exposed to hundreds of thousands of viewers.

Selling of advertising on the Albertasource.ca websites was identified as a great revenue generator for the Foundation, however we found it a daunting endeavour. Our audience is 70% K-12 and, as public foundation, we need to take great precautions in the selling of advertising as the majority of our users are youth. In order to access advertising revenue through the means that would be acceptable to the CRTC, the Foundation would need to modernize its websites. At present, the costs outstrip the benefits, both financial and philosophical.

In 2007, we were very fortunate to receive a number of significant charitable gifts from donors who donated directly to the Foundation's projects. The organization has also been a beneficiary of cash as well as in-kind donations amounting to \$30,000 in advertising - featuring Albertasource.ca in such magazines as Oil Weekly and other publications published by June Warren Publishing.

Nena Jovic-Andrejevic, BA, CFRE
General Manager

2007 Year in Review

Production

Albertasource.ca – Online Encyclopedia

The Heritage Community Foundation, in keeping with its content plan, has continued to develop websites to enhance the Alberta Online Encyclopedia—a 2005 Alberta Centennial Legacy project. The website count as of December 31st, 2007, was 74, making this the largest, purpose-built, authoritative provincial repository of multimedia resources.

The Encyclopedia provides an integrated approach to the creation and presentation of rich Alberta content for universal access via the World Wide Web. The Encyclopedia brings Alberta to the world and the world to Alberta. All websites are developed in accordance with Canadian heritage standards for digital heritage. Site specifications include:

- Over 27,000 text files, mainly HTML and PHP pages
- Over 75,000 image files
- Over 4,000 audio files
- Over 2,000 video files

The Foundation hosts all of its websites and maintains them on an ongoing basis. This involves ensuring no broken links as well as updating organizational information and responding to partner and user queries. On average, over 1,000 information requests are received via email on an annual basis.

In 2007, Albertasource had over 1.5 million unique visitors, who each returned to the site on another two to three occasions for a total visitation of nearly 3.7 million (up from 3.3 million received in 2006). The average site visit duration is 20 minutes reinforcing the importance of the Encyclopedia as a research tool for not only educational users but also the general public. The majority of visitation is search engine driven and reinforces the importance of the metatagging (coding keywords to facilitate searches) that is done on each website. About 70% of site traffic comes from Google and about 19% from Yahoo. Any search on an Albertan topic will lead the visitor to one of the Albertasource sites.

The Foundation, working with a range of partners and funders, has accomplished the following project deliverables on time and on budget.

Web Development

The Heritage Community Foundation develops website based on a content-development plan that is added to annually. Projects may be originated by the Foundation based on the plan or partners may approach us to design a project and to seek funding support. Such projects must fit with the content plan.

The Heritage Community Foundation 2007 Annual Report

Websites

The following websites were completed and/or initiated in 2007:

Francophone Edmonton Online	Alberta Community Development, Francophone Secretariat
Alberta's Francophone Heritage	Government of Canada, Industry Canada, Franccommunautés virtuelles; Campus Saint-Jean, University of Alberta; Association canadienne-française de l'Alberta
Heritage of the Mighty Peace	Sexsmith & District Museums Society; Spirit of the Peace Museums Network; Community Initiatives Program, Alberta Lotteries
World War II: Homefront in Alberta	The Canadian Militaria Preservation Society; Royal Alberta Museum; Community Initiatives Program, Alberta Lotteries
University of Alberta Centenary History Website	University of Alberta Learning Services
Alberta's Estonian Heritage	Alberta Estonian Heritage Society; Community Initiatives Program, Alberta Lotteries
Alberta's Black Pioneer Heritage	Black Pioneer Descendants' Society; Community Initiatives Program, Alberta Lotteries
The Road: The Building of the Alaska Highway	Art Gallery of Alberta; Community Initiatives Program, Alberta Lotteries
Central Alberta Museums Online Catalogue	Central Alberta Regional Museums Network; Museums Assistance Program, Canadian Heritage
Dante Alighieri Society	Dante Alighieri Society, Edmonton

Edukit Websites

The Foundation's Edukits websites are virtual textbooks that provide a wealth of interactive learning elements comprising both teacher and student zones with an excellent fit to the Alberta Program of Studies. In 2007, the Foundation developed the following Edukits:

People of the Boreal Forest Edukit	Aseniwuche Winewak First Nation, Alberta International, Intergovernmental and Aboriginal Affairs, and Terry Garvin
Alberta Inventors Edukit, Phase 1 (Research)	TELUS Community Board
Understanding Canadian Multiculturalism	Alberta Community Development, Human Rights, Citizenship and Multicultural Education Fund; Canadian Heritage, Canadian Studies Program

Research

Solid primary and secondary research underpins all Foundation websites and edukits. Website content is, therefore, authoritative and scholarly though its presentation makes it accessible to students and the general public. The Foundation's largest research project in 2007 involved the creation of the University of Alberta Centenary Website: All True Things: Celebrating a Century in Public Education. This project was accomplished with University of Alberta Learning Services and included the largest digitization project accomplished by the Foundation. This included the digitization of over 5,000 pages of documents and over 2,000 photographs.

The Foundation also takes on research projects that are initially unrelated to website development. In 2007, the Foundation undertook the design and development of the Italian Memory Lane Cultural Memory and Living Tradition Research Project in partnership with the Italian-Canadian Seniors Society of Edmonton. This involved working with community volunteers to design an oral history project that would build knowledge about the immigration, settlement and acculturation of Italian immigrants in Edmonton.

In 2008, Canada will be celebrating the 150th anniversary of Canada's Oil Industry. With funding support from Charlie Fairbank, whose ancestors established Fairbank Oil, one of the first oil company's in Oil Springs, Ontario, the Foundation initiated a research project led by Earle Gray, Canada's senior petroleum historian. The resulting book, Ontario's Petroleum Legacy: The Birth, Evolution and Challenges of a Global Industry, is being published in 2008. Book design was donated by JuneWarren Publishing and Bob Bott, senior energy and forestry author, contributed vision and volunteer labour in project design and development.

Video Production

Video production, and digitizing of video and audio elements, expanded significantly in 2006. Not only do more of oAs part of its ongoing cultural memory and living tradition research, the Heritage Community Foundation undertakes oral history projects designing projects including question design and community liaison. In 2007, oral history videotaping and editing were undertaken for the University of Alberta Centenary project (9 oral histories), the Italian Memory Lane project (over 40 oral histories) and the Black Pioneers project (9 oral histories). With respect to the Memory Lane Project, a DVD was produced including four documentaries (from 5 minutes to 40 minutes) as well as the individual oral histories. In addition, the Foundation undertook videography for National Aboriginal Day 2007 events at Canada Place for the Alberta Native Friendship Centre in Edmonton.

Doors Open Alberta

Doors Open Alberta actively engages all Albertans in community heritage through a series of annual special events. This province-wide event promotes public access to historical buildings and other hidden heritage gems across Alberta. It not only celebrates architectural heritage and special places, but has become synonymous with communities "opening their doors." The Heritage Community Foundation brought the Doors Open program to Alberta in 2003, adapting it from the Ontario Heritage Foundation model. The Foundation not only provides the administrative framework for the events but also undertakes a co-operative marketing campaign involving its own and community resources as well as matching support from Travel Alberta. The Foundation would like to acknowledge funding support for these events from our community partners, the Alberta Historical Resources Foundation and Travel Alberta.

Heritage is a largely untapped tourism lure and Doors Open Alberta provides a highly beneficial marketing opportunity to fully realize this potential in Alberta. Since inception, with three communities on board, the initiative has grown to include 11 communities and is recognized as an important local and provincial heritage tourism product. In 2007, the "international gateway" cities – Edmonton and Calgary – were back leading to greater exposure for the event. The print, radio, and television advertising for the province-wide campaign all pointed to the Doors Open Alberta website. This resulted in more than twice the annual visitors to the site. The participating communities and their dates were as follows:

- Lethbridge May 11 – 12
- Leduc May 12
- Lamont County June 2 – 3
- Chipman June 2 – 3
- Fort Macleod July 1 – 2
- Lacombe July 14 – 15
- Edmonton June 7 – August 26
- Crowsnest Pass August 3 – 7
- Calgary August 4
- Town of Banff August 12
- Camrose August 19 – 20

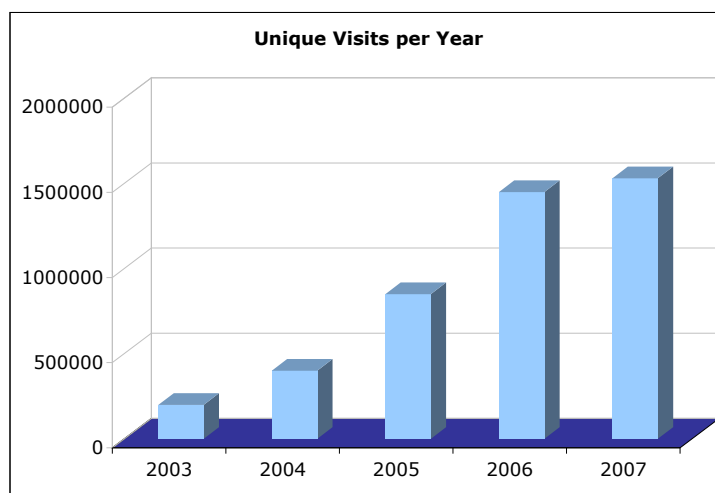
Operations

Audiences

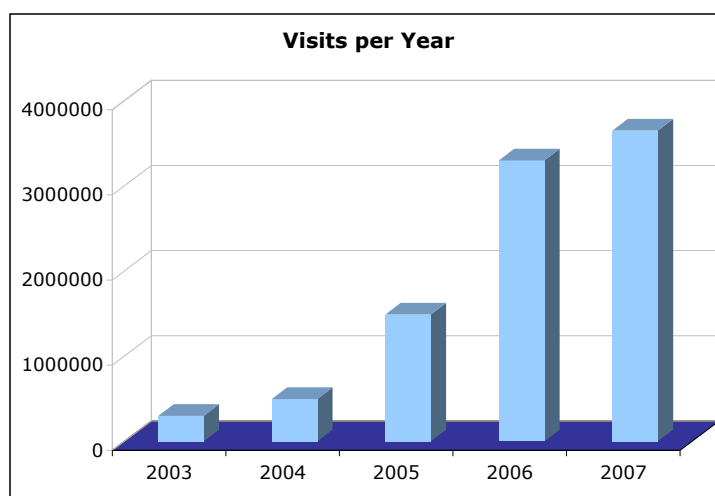
Imagine a building in Alberta that receives 1.5 million visitors per year; then, imagine that these individuals return an additional two and-a-half times to visit this same space for about half an hour each time. Albertasource.ca is not made of “brick and mortar” but it is a building in cyberspace. In both 2006 and 2007, it served on the average 1.5 million visitors. The statistics and graphs attest to the success of the Foundation’s websites. The following statistics depict the growth in number popularity of Albertasource.ca since 2003.

Website Visitation Statistics 2007

Unique visitors who are identified by their unique IP address to Albertasource.ca portals on an annual basis have increased 64% from 2004 – 2005 and 39% from 2005 – 2006. In 2007, 1.53 million unique visitors have accessed Albertasource.ca websites, exceeding 1.41 million unique visitors in 2006.



Total Visits are determined by how many times a unique visitor, i.e., the same IP address, has signed on to any Albertasource.ca website. In 2007, we registered 3.68 million visitors to Albertasource.ca websites for approximately 30 minutes each time, exceeding 3.32 million visitors in 2006.



Foundation's Personnel

The Foundation's personnel are the driving force behind the research, writing, editing, web development, programming, design, systems management, marketing, communications, revenue generation and administration functions. The following individuals were involved in the Foundation's work in 2007.

Creative and Production Team

Adriana Davies, PhD, Editor-in-Chief

Rachelle Drouin, Assistant Editor

David Mantello, Senior Researcher

Robert Sadowski, Senior Researcher

Julie Rossignol, Researcher

William Maw, Systems Administrator

Clifford Barnett, Senior Programmer

Michael Flewwelling, Instructional and Curriculum Designer

Chace Groves, Designer and Senior Web Developer

Katarina Andrejevic, Research Assistant

David Bates, Videographer

Aleem Karmali, Videographer

Operations Team

Nena Jovic-Andrejevic, General Manager

Win Aungkyaw, Chief Financial Officer (1999 to May 2007)

Jody Matwichuk, Financial Officer / Office Manager (June 2007 onwards)

Julie Ross, Grants and Research Coordinator

Allia Sabir, Marketing and Communications Intern

Summer Interns

Katie Woodfine, Marketing Intern

Kayle Wert, Technical Intern

David Mantello, Research Intern

Julie Rossignol, Research Intern

Crystal Hansen, Technical Intern

Marla Epp, Research Intern

Marta Dabros, Research Intern

Marlon Davies, Research Intern

Legal Counsel

Laird Hunter, Worton, Hunter, Callaghan

Tony Richard, McGee Richard

Chris D. McKay, McGee Richard

Governance and Service Volunteers

Volunteers are the cornerstone of the Foundation's work and we would like to recognize the time and dedication they contribute, especially our Trustees. They have dedicated not only vision and passion but also many hours to ensuring the our success.

Heritage Community Foundation Trustees

Morris Flewwelling, C.M., President/Chair, Red Deer
Satya Brata Das, Vice President/Vice Chair, Edmonton
Stephen Murgatroyd, Secretary/Treasurer, Edmonton
Jerry Gunn, Trustee, Edmonton
Doug Leonard, Trustee, Canmore (1999-2007)
Catherine Twinn, Trustee, Slave Lake and Edmonton

Friends of the Heritage Community (FHC) Foundation Board

Doug Leonard, President (2000-2007)
Jerry Gunn, Vice President
Stephen Murgatroyd, Secretary/Treasurer
Morris Flewwelling, Board member
Catherine Twinn, Board Member

Honourary Chief Patron

The Hon. Norman L. Kwong, Lieutenant Governor of Alberta

Heritage Youth Ambassador

Aysha Wills, Edmonton

Patrons Council

J. Sherrold Moore, Chair, Calgary
Prem P. Singhmar, Vice Chair, Sherwood Park
Bruce Alger, Alger and Associates, Calgary
Carlo Amodio, Edmonton
Dr. Dale Auger, Calgary
The Hon. Tommy Banks, O.C., Edmonton
Frank Bruseker
The Hon. Peter Caffaro, Edmonton
Douglas Cardinal, Ottawa
Dr. Thelma J. Chalifoux, Ottawa
Ken Chapman, Edmonton
Eveline Charles, Edmonton
Dr. Patricia Clements, Edmonton
Shirley Cripps, Winfield
Dr. Chester Cunningham, Nestow
John Dahl, Whitecourt

Marc de La Bruyère, Edmonton
Cora Fedyk, Red Deer
Dr. Max and Heather (MacEwan) Foran, Priddis
Fil Fraser, C.M., Edmonton
The Hon. Dan Hays, Calgary
Linda Hughes, Edmonton
The Hon. Helen Hunley, O.C., Rocky Mountain House.
Tom Jackson, O.C., LL.D., Calgary
Brian Keating, Calgary
Allan Kerr, Edmonton
Donna Livingstone, Vancouver and Calgary
Tom Maccagno, Lac La Biche
James A. N. Mackie, Q.C., Calgary
Colin MacLean, Edmonton
Murray Rasmusson, Calgary
Ken Regan, Edmonton
Chief Wayne Roan, Hobbema
The Hon. Douglas Roche, O.C., Ottawa
George A. Rogers, Leduc
Dr. Horst A. Schmid, Edmonton
Larry Shaben, Edmonton
Dr. Curtis Shell, Edmonton
The Hon. Nicholas Taylor, Chestermere
Bruce Watson, Calgary
Dr. Robert Westbury, Edmonton
David Will, Red Deer
Faye Williamson, Madden
Tom Willock, Medicine Hat

Revenue Generation

The Heritage Community Foundation in all its eight years of operation has generated revenue through grants, partner grants, service contracts, donations and sponsorships. The Foundation would like to extend its sincere gratitude to the following funders, donors and sponsors, as well as clients/supporters who have benefited from the Foundation's know how.

Funders and Supporters

Grants

Canadian Heritage for the Canadian Multiculturalism and Diversity Edukit

Canadian Heritage, for the Central Alberta Museums Network for Digitization Project

International, Intergovernmental and Aboriginal Affairs, Province of Alberta, for the People of the Boreal Forest Edukit

Travel Alberta, for Doors Open Alberta

Alberta Historical Resources Foundation for Doors Open Alberta

Cultural Human Resources Council for Marketing and Communication Interns

Canadian Museums Association/ Young Canada Works in Heritage for Summer Research Interns and Research Interns

HRDC for Summer Career Placements

Partner Grants

City of Edmonton for Cultural Capitals of Canada

Friends of the Heritage Community Foundation and Alberta Lotteries for the Capacity Building Phase II

Friends of the Heritage Community Foundation and Alberta Lotteries for the Heritage Learning Centre

Contracts

Aseniwuche Winewak First Nation for People of the Boreal Forest Edukit

Canadian Militaria Preservation Society for the Homefront Website

Black Pioneers Descendants Society for the Alberta's Black Pioneers Heritage Website

Art Gallery of Alberta for the Alaska Highway website

Estonian Community for the Estonian Website

University of Alberta for the 100th Anniversary Centenary Website

Italian Seniors Association for Italian Memory Lane Video Oral History Project

Dante Aligheri Society for developing the Dante Aligheri Society Website

Donors and Sponsors

The Heritage Community Foundation relies on community support and ongoing investments to keep us at the leading edge in the research and development of dynamic heritage content for the World Wide Web. We gratefully acknowledge the many individuals, corporations, foundations, organizations, and government agencies that have demonstrated their commitment to the Heritage Community Foundation during the past year.

Foundations and Community Fund

Imperial Oil for the Canada's Petroleum Heritage Website Enhancement

TELUS Edmonton Community Board Fund for Inventors and Inventions Edukit

Milvain Fund for Alberta's Legal Heritage Video Project

Special gratitude goes to Charlie Fairbank, Fairbank Oil, for funding support for the Celebrating the 150th Anniversary of the Canadian Oil Industry project, specifically the Ontario's Petroleum Heritage book authored by Earle Gray.

Sponsors

Precision Scale Inc. for conversion of Alberta Naturally Website

June Warren Publishing Inc. for promoting and advertising Albertasource.ca

Individual Donors

Amin Suleman

Mohamed Jaffer

Amin Suleman

Naushad Jinah

David Ridley

Kristina Milke

Dennis Wagner

Thomas Banks

Allan Kerr

William Baergen

Dora Helen Mackie & James F. Mackie

Jerry Gunn

Adriana Davies

Ken Regan

Peter Caffaro

Dorothy Gray

Shirley Cripps

Corporate/Organizational Donors

Canadian Petroleum Hall of Fame Society

Charles Fairbank Oil Properties Ltd.

D.J. Will Holding Ltd.

H.A. Kerr Farms & Development Ltd.

Imperial Oil Foundation

Jocic Andrejevic & Associates Inc

JuneWarren Publishing Ltd

Legacy Magazine

Murgatroyd Communications & Consulting Inc.

TELUS Edmonton Charitable Board

TELUS Calgary Charitable Board

Project Alphabet 2007

The Heritage Community Foundation acknowledges the volunteer support of our project partners in 2007.

Alberta's Legal Heritage Video Project

Azmina Suleman

Amin Suleman

Celebrating the 150th Anniversary of Canada's Oil Industry Project

Earle Gray

Robert D. Bott

David Carson

Colleen Killingsworth

Bill Whitelaw

Robert Tremain

Central Alberta Museums Online Catalogue

Leanne Templeton, Canadian Petroleum Discovery Centre

Kathleen Raines, Historic Markerville Creamery

Gordon Parks, Kneehill Historical Society Museum

Barry Freeman, Mountain View Museum

Dante Aligheri Website

Aristide Melchionna

Doors Open Alberta 2007 Advisory Committee

Carol Atkinson, Doors Open Lacombe

Merinda Conley, Alberta Main Street Programme

Janis DePaoli, Doors Open Camrose

Angela Kostiuk, Doors Open Lamont and Chipman

Robert Earley, Doors Open Camrose

Tina Hunt, Doors Open Lamont County

Gordon MacIvor, Doors Open Fort Macleod

Marcus Miller, Doors Open Edmonton

Cathy Pisony, Doors Open Crowsnest Pass

Megan Squires, Doors Open Banff

Ron Ulrich, Doors Open Lethbridge

Doors Open Edmonton 2007 Committee

Catherine Crowston

Marcus Miller

Shafraaz Kaba

David Murray

Francophone Edmonton Heritage Website

Marc Arnal
Frank McMahon
Juliette Champagne
Patrice Gauthier
Patrick Henri
Joël F. Lavoie
France Levasseur-Ouimet
Yvette Mahé
Simon Pagé

Heritage of the Mighty Peace Website

Colleen Haggstrom
Fran Moore
Larry Anderson
Sheila Linfield
James Obniawka
Jean Rycroft

Italian Memory Lane Video/DVD Project

Maria Mauro, President, Ital-Canadian Seniors
Dr. Arnaldo Minuti, Consul of Italy
Stellina Gatto
Andrea Melchionna
Brandon Paniccia
Michael Vecchio
Peter Caffaro
Julie Ciochetti
Maria D'Andrea
Luciana de Santis
Wanda Dominelli
Aurora and Antonio Frattin
Nicola Loconte
Oronzo Loparco
Giuseppe Mauro
Carmela Marino
Aristide Melchionna
Salvatore Noce
Gina Principe
Frank and Maria Saccomanno

Teresa Spinelli
Silvano Vecchio
Luigi Zorzetto

National Aboriginal Day 2007 Video

Heather Poitras
D.J. Swanstrom

People of the Boreal Forest Edukit

Terry Garvin
Jamie Honda-McNeil
Rachelle MacDonald

University of Alberta 100th Anniversary Centenary Website

Ernie Ingles
Merrill Distad
Bryan Corbett
Brian McDonald
Clare Drake
Ellen Schoeck
Frank McMahon
Gordon Unger
Patricia Clements
Rod Macleod
Wayne Lamble

Partnerships – 1999 to 2007

The Heritage Community Foundation gratefully acknowledges the support of private foundations and heritage partners as follows:

Alberta Aviation Museum Learning Centre	Doors Open Frank Slide Interpretive Centre
Alberta Aboriginal Affairs and Northern Development	Doors Open Irma
Alberta Community Development, Alberta Foundation for the Arts	Doors Open Lacombe
Alberta Community Development, Alberta Historical Resources Foundation	Doors Open Lamont
Alberta Community Development, Historical Resources Division	Doors Open Lethbridge
Alberta Education	Doors Open Red Deer
Alberta Environment	Doors Open St. Albert
Alberta Innovation and Science	Edmonton Federation of Community Leagues
Alberta Law Foundation	Edmonton Oilers Community Foundation
Alberta Museums Association	Edmonton Opera
Alberta Research Council	Edmonton Police Services
Alberta Sports Hall of Fame	Edmonton Telephone Historical Information Centre
Alberta Venture	Ermineskin First Nation (Treaty 6)
Aseniwuche Winewak Nation of Canada	Famous 5 Foundation
Association canadienne-française de l'Alberta	Fort McMurray Historical Society and Heritage Park
Ben Calf Robe Society	Fort Saskatchewan Museum
Bent Arrow Traditional Healing Society	Frank Spinelli Memorial Society
Bigstone Cree Nation (Treaty 8)	Galt Museum and Archives
Business Link, Business Service Centre	Glenbow Museum and Archives
Cambridge Strategies Inc.	Grande Prairie Museum and Archives
Canada West Foundation	Historic Markerville Creamery
Canadian Fallen Heroes Foundation	Imperial Oil Foundation
Canadian Petroleum Discovery Centre	Indian and Northern Affairs Canada, Alberta Region
Central Alberta Regional Museums Network (CARMN)	Institute for the Advancement of Aboriginal Women
Centre for Energy Information	Italian Appenini Dancers Society
City of Edmonton Archives	Italian Trade Commission
City of Edmonton Corporate Services	JuneWarren Publishing Ltd.
City of Red Deer	l'Association canadienne-française de l'Alberta (ACFA)
Consulate of Italy, Edmonton	Legacy: Alberta's Heritage, Arts and Culture Magazine
CKUA Radio Network Inc.	Legal Archives Society of Alberta
Campus Saint-Jean, University of Alberta	Legislative Assembly of Alberta Interpretive Centre
Doors Open Banff	Lougheed House
Doors Open Camrose	McKay Avenue School
Doors Open Chipman	Métis Crossing (Victoria Landing Development Board)
Doors Open Fort Macleod	Métis Nation of Alberta
	Métis Settlements General Council
	Mountain View Museum

The Heritage Community Foundation 2007 Annual Report

Musée historique de St. Paul Historical Museum	Village of Girouxville
Musée Héritage Museum, St. Albert	Whitefish (Goodfish) Lake First Nation
National Congress of Italian-Canadians, Edmonton District	Woodland Cree First Nation
Nechi Institute	Year of the Coal Miner Consortium
Northern Alberta Institute of Technology (NAIT)	
Northlands Park Foundation	
Oil Sands Discovery Centre	
Oteenow Employment and Training Society	
People's Movement for Human Rights Education	
Prince Charles School	
Prince of Wales Armouries	
Rwandan Association of Edmonton	
Red Deer and District Museum and Archives	
Red Deer Public Library	
Research Services Office, University of Alberta	
Research Services, University of Calgary	
Reynolds Alberta Museum	
Rocky Mountaineering Foundation	
Rosebud Historical Society	
Royal Alberta Museum	
Royal Tyrrell Museum	
Sawridge Inn & Conference	
Santa Maria Goretti Community Centre	
Sexsmith & District Museums Society	
Spirit of the Peace Museums Network	
Sucker Creek First Nation	
Travel Alberta	
Telephone Historical Centre	
TELUS Edmonton Charitable Board	
TELUS Calgary Charitable Board	
University of Alberta, Campus Saint-Jean	
University of Alberta, Libraries	
University of Alberta, Digital Initiatives Technology	
University of Alberta, Distributed Learning	
University of Alberta, Faculty of Engineering	
University of Alberta, Learning Services	
University of Alberta, Research Services Office	
University Technologies International	

Auditors' Report

April 15, 2008

To the Trustees of Heritage Community Foundation

We have audited the statement of financial position of the Heritage Community Foundation (the "Foundation") as at December 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Foundation derives revenue from sponsorships and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to sponsorships and donation revenue, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness at the sponsorships and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Heritage Community Foundation

Statement of Financial Position

As at December 31, 2007

	2007	2006
	\$	\$
Assets		
Current Assets		
Cash and term deposits (note 3)	11,700	8,431
Grants and contracts receivable	83,396	127,453
Prepaid expenses	1,965	4,272
	97,061	140,156
Investments (notes 5 and 6)	343,679	340,804
Property and equipment (note 4)	34,216	52,766
	474,956	533,726
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	31,795	39,372
Current portion of long-term debt (note 3)	50,000	25,000
Deferred contributions	23,125	81,432
	104,920	145,804
Long-term debt (note 7)	-	25,000
	104,920	170,804
Commitments (note 8)		
Net Assets		
Endowment Fund (note 5)	250,000	250,000
Internally restricted (note 5)	90,212	87,337
Unrestricted	(4,392)	(27,181)
Invested in property and equipment	34,216	52,766
	370,036	362,922
	474,956	533,726

Heritage Community Foundation

Statement of Changes in Net Assets

For the year ended December 31, 2007

□

	2007				
	Endowment fund	Internally restricted	Unrestricted	Invested in property and equipment	Total
	\$	\$	\$	\$	\$
Balance – Beginning of year	250,000	87,337	(27,181)	52,766	362,922
Adjustment for adoption of new standards (note 2)	-	14,005	-	-	14,005
As adjusted	250,000	101,342	(27,181)	52,776	376,927
Excess revenue over expenses for the year	-	17,554	(223)	(18,550)	(1,219)
Transfer between funds	-	(23,012)	23,012	-	-
Net change in unrealized loss for the year	-	(5,672)			(5,672)
Balance – End of year	250,000	90,212	(4,392)	34,216	370,036

	2006				
	Endowment fund	Internally restricted	Unrestricted	Invested in Property and equipment	Total
	\$	\$	\$	\$	\$
Balance – Beginning of year	250,000	77,174	(44,857)	60,788	343,105
Excess revenue over expenses for the year	-	13,630	36,929	(27,275)	23,284
Payment out of fund	-	(3,467)	-	-	(3,467)
Investment in property and equipment	-	-	(19,253)	19,253	-
Balance – End of year	250,000	87,337	(27,181)	52,766	362,922

Heritage Community Foundation

Statement of Operations

For the year ended December 31, 2007

	2007	2006
	\$	\$
Revenues (schedule 1)		
Grants	430,824	800,345
Contracts	417,175	472,168
Other	120,412	204,702
Gain on sale of investments	2,859	-
	1,477,215	1,477,215
Expenses		
Salaries, wages and benefits	384,104	848,279
Contractor and consulting services	368,775	153,594
Office	83,703	100,700
Communications and promotion	52,507	52,653
Professional Fees	31,723	26,205
Amortization	18,550	23,699
Copyright Clearance	13,510	-
Fundraising materials	11,113	55,212
Travel	8,504	19,439
Project material development	-	38,939
In-Kind	-	76,878
Research and development	-	30,180
Program grant	-	16,000
Bank charges and interest on long-term debt	-	4,606
Trustee	-	3,430
Write down of property and equipment	-	2,615
Membership	-	1,502
	972,489	1,453,931
Excess revenues over expenses for the year	(1,219)	23,284

Heritage Community Foundation

Statement of Cash Flows

For the year ended December 31, 2007

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess revenues over expenses for the year	(1,219)	23,284
Items not affecting cash		
Amortization	18,550	23,699
Loss on disposal of property and equipment	-	2,615
Gain on sale of investments	(2,859)	-
	14,472	49,598
Net change in non-cash working capital items		
Grants and contracts receivable	44,057	5,741
Accounts payable and accrued liabilities	(7,577)	(9,460)
Interest payable	-	(4,548)
Deferred contributions	(58,307)	(566,445)
Prepaid expenses	2,307	3,820
	(5,048)	(521,294)
Investing activities		
Purchase of investments	(26,119)	(13,630)
Proceeds on sale of investments	34,436	-
Purchase of property and equipment	-	(19,253)
Proceeds on sale of property and equipment	-	961
	8,317	(31,922)
Financing activities		
Distribution to Alberta Museum Association	-	(3,467)
Repayment of long-term debt	-	(50,000)
	-	(53,467)
Increase (decrease) in cash and term deposits	3,269	(606,683)
Cash and term deposits– Beginning of year	8,431	615,114
Cash and term deposits – End of year	11,700	8,431
Supplementary information		
Interest received	3,861	-
Interest paid	-	-

Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

1 The Foundation

The Heritage Community Foundation (the “Foundation”) is a Trust settled by the Alberta Museums Association (the “Association”) on July 19, 1999. The Foundation was awarded charitable status and registered as a charitable organization by the Canada Revenue Agency as of January 1, 2000 and, as such, is exempt from income tax.

The Foundation’s mandate, to be undertaken consistent with the Foundation’s charitable purposes and in keeping with its administrative guidelines, is to link people with heritage through discovery and learning. Its over-arching goal is for heritage to be valued by everyone.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Interest and dividends earned on investments are recorded using the accrual method. Gains and losses on disposal of investments are calculated on an average cost basis and included in earnings for the year.

Property and equipment

Property and equipment are recorded at cost. Amortization is provided for using the straight-line method at the following rates:

Furniture and fixtures	8 years
Computer equipment	4 years
Computer software	4 years
Leasehold improvements	3 years

One half of the above rates are applied in the year of addition or disposal.

Donated materials and services

Donated materials and services are only recorded at fair value when the fair value can be reasonably estimated and when the materials or services would otherwise be normally purchased by the Foundation.

Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

Change in accounting policies

Effective for the commencement of its 2007 fiscal year, the Foundation adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3855, Financial Instruments-Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments.

Financial instruments

Handbook Section 3855, Financial Instruments-Recognition and Measurement provides guidance on the recognition and measurement of financial assets, financial liabilities and derivative financial instruments. This new standard prescribes when to recognize a financial instrument on the balance sheet and at what amount. Depending on their balance sheet classification, fair value or cost-based measures are used. Based on financial instrument classifications, gains and losses on financial instruments are recognized in net revenue (expenditures) or net assets.

The Foundation has made the following classifications:

Cash is classified as “Assets held for trading”. It is measured at fair value and the gains or losses resulting from the re-measurement at the end of each period are recognized in the consolidated statement of operations.

Grants and contracts receivable are classified as “Loans and receivables”. They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Investments are held in Mutual Funds comprised of equities and fixed income vehicles. Investments are classified as “Available for sale”. They are recorded at fair value with unrealized gains and losses included as direct adjustments to net assets referred to as “unrealized gain/loss on available-for-sale assets” until realized when the cumulative gain or loss is transferred to investment income. Dividends and interest income from available for sale investments are recorded in investment income in the consolidated statement of operations.

Accounts payable and accrued liabilities and long-term debt are classified as “Other financial liabilities”. They are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

These new standards are to be applied without restatement of prior period amounts. Upon initial application, all adjustments to the carrying amount of financial assets and liabilities shall be recognized as an adjustment to the opening balance of net assets. The impact of recording investments at fair value on January 1, 2007, in accordance with the transitional provisions was to increase investments by \$14,005, and increase opening net assets by \$14,005.

The fair value of a financial instrument on initial recognition is normally the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition the fair values of financial instruments that are quoted in active markets are based on bid prices for financial assets and ask prices for financial liabilities. Transaction costs on financial instruments are expensed when incurred. Purchases and sales of financial assets are accounted for at trade dates. The fair value of cash, accounts receivable, accounts payable and accrued liabilities, and

Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

long-term debt approximate their carrying amounts due to the short-term maturity of these instruments.

All derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as a normal purchase and sale. The Foundation has elected to apply this accounting treatment for all embedded derivatives in host contracts entered into on or after January 1, 2003. The Foundation has determined that they do not have any derivatives.

Hedges

Handbook Section 3865, Hedges allows optional treatment providing that hedges be designated as either fair value hedges, cash flow hedges or hedges of a self-sustaining operation. Since the Foundation has not entered into any hedge transactions, this section did not have any impact on the Foundation's financial statements.

Accounting changes

Effective January 1, 2007, the Foundation adopted CICA Handbook section 1506, "Accounting Changes", providing standards for accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The section also specifies that a change in accounting policy, if not required by a primary source of Canadian GAAP, should be made only if it results in more reliable and relevant information. Section 1506 includes disclosure rules regarding the description and impact on the Foundation's financial results of future accounting standards not yet applied. The adoption of the new section did not have a material effect on the Foundation's financial results.

Future accounting pronouncements

Effective January 1, 2008, the Foundation will be required to adopt the following new accounting standards issued by the CICA:

- CICA 3855 – Financial Instruments – Recognition and Measurement
- CICA 3862 – Financial Instruments – Disclosures
- CICA 3863 – Financial Instruments – Presentation
- CICA 1535 – Capital disclosures

The Foundation has not yet assessed the impact of adopting these new standards on the financial position or reported results.

3 Cash and term deposits

Cash and term deposits include \$8,431 (2005 – \$615,114) received as grant revenue restricted for the delivery of certain programs.

The Foundation has an operating line of credit limited to \$300,000 and bears interest at prime plus 1%. The assets of the Foundation are pledged as collateral against this line of credit.

Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

4 Property and equipment

			2007	2006
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	25,858	10,174	15,685	18,879
Computer equipment	47,877	33,700	14,177	24,248
Computer software	21,700	17,430	4,270	8,432
Leasehold improvements	6,229	6,145	84	1,207
	101,664	67,449	34,216	52,766

During the year, amortization of property and equipment of \$18,550 (2006 – \$23,699) was recorded.

5 Endowment and internally restricted funds

As part of the settlement of the Foundation, upon their registration with Canada Revenue Agency as a charitable trust, \$250,000 was gifted to the Foundation by the Alberta Museums Association (the “Association”). The Trustees of the Foundation resolved to internally restrict the principal amount of the gift and established the Alberta Museums Association Endowment Fund. It was a further resolution of the Trustees that the investment income from these funds also be internally restricted. The cumulative investment income of \$90,212 (2006 – \$87,337) is recorded as internally restricted in the statement of Changes in Net Assets.

6 Investments

	2007	2006
	\$	\$
Adroit Fixed Income Fund	150,050	147,903
Adroit Equity Fund	193,629	192,901
	343,679	340,804

The market value of the investments at December 31, 2007 was \$343,679 (2006 – \$354,809).

Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

7 Long-term debt

In December 2002, TELUS Foundation (“Telus”) agreed to provide the Heritage Community Foundation with financing of \$200,000 through the Canada-Telus New Media Learning Fund to prepare 12 multi-media learning resources (“edukits”). A promissory note bearing interest at 4.50% per annum has been issued in favour of Telus. The loan was renegotiated in 2006, waiving outstanding interest payable from prior years of \$14,904 and further interest in the future. The loan is due December 31, 2008. The assets of the Foundation are pledged as collateral for the debt.

	\$
Outstanding balance	50,000
Less: Current portion	50,000
	-

8 Commitments

The Foundation is committed under an operating lease for the rental of office space and office equipment. The future minimum lease payments under these operating leases are as follows:

	\$
2008	32,021
2009	34,218
2010	34,418
2011	33,234
	133,891

The Foundation subleases a portion of the premises to an affiliated charitable organization.

9 Financial instruments

Fair value

The carrying value of cash and term deposits, grants and contracts receivable and accounts payable and accrued liabilities approximates the fair value due to the relatively short-term maturities of these instruments. It is management’s opinion that the company is not exposed to significant interest rate risk on its long-term debt as this instrument is now interest bearing.

Credit risk

The Foundation is potentially subject to concentration of credit risk principally with its marketable securities. The Foundation’s credit risk is the replacement cost at the then-estimated fair value of the instrument. As the Foundation places its cash, cash equivalent and debt securities with high credit quality financial and government institutions, management believes that the risk of incurring losses with these financial instruments is remote and that such losses, if any, would not be material.

Liquidity risk

The Foundation is potentially subject to liquidity risk with its marketable securities. As a result, the Foundation may be unable to realize the full fair value of these securities in the event that these financial assets were to be sold quickly.

Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

Market risk

The Foundation is subject to market risk with its marketable securities. Accordingly, the values of these financial instruments will fluctuate as a result of changes in market prices, market conditions, or factors affecting the net values of the underlying investments. Should the value of the financial instruments decrease significantly, the Foundation could incur material losses upon the disposal of instruments.

10 Related party transactions

During the year, the Foundation earned contract revenue of \$80,600 (2006 – \$158,009) from and incurred expenses of \$5,330 (2006 – \$12,177) to an affiliated charitable organization. The Foundation received rent of \$1,662 from the affiliated charitable organization. Deferred contributions include \$nil (2006 – \$80,600) received from the affiliated charitable organization.

The Foundation received \$1,000 from a Trustee for services provided during the year.

Heritage Community Foundation

Schedule 1

Schedule of Revenues

For the year ended December 31, 2007

	2007 \$	2006 \$
Grants		
Aseniwuche Winewak Nation	75,000	
Canadian Militarian Preservation Society	75,000	
Black Pioneers Descendants Society	65,000	
Canadian Heritage	36,170	56,857
International, Intergovernment and Aboriginal Affairs	30,000	
Art Gallery of Alberta	30,000	
Estonian Community	25,000	
YCW Internship Program	24,864	4,455
Heritage Canada Leduc/Devon Oilfield	22,000	
HRDC – Summer Career Placement	12,290	17,010
Travel Alberta	11,000	7,000
Doors Open Alberta Communities	11,000	
CHRC Youth Interns	7,500	6,780
Alberta Historical Resource Foundation	5,000	
National Aboriginal Day 2007	1,000	
Alberta Centennial Legacies Program		469,703
Aboriginal Affairs & Northern Development		84,404
Industry Canada		74,936
Alberta Human Rights/Multiculturalism		49,200
Museums Assistance Program		30,000
Alberta Francophone Secretariat		7,000-
	430,824	800,345
Contracts		
City of Edmonton	200,000	
University of Alberta	115,000	200,000
Friends of Heritage Community Foundation	80,600	158,009
Italian Seniors Association	11,000	-
Dante Alighier: Society	7,500	-
Northlands Park	1,200	-
Morris Flewwelling Mayoral Campaign	1,000	-
Memories Worth Keeping	875	-
Spirit of Peace Museum Network		52,496
Travel Alberta Canada		22,000
United Farmers of Alberta		15,000
Alberta Historical Resource Foundation		14,800
NAIT – Animation		9,863
	417,175	472,168
Other		
Fundraising		
Sponsorship	66,200	3,132
Donations	28,000	70,892
Net investment income	14,695	13,630
Miscellaneous	10,620	2,502
Book sales	897	24,896
In-Kind	-	76,878
Recovery of interest	-	12,772
	120,412	204,702
Gain on sale of investments	2,859	
	971,270	1,477,215

Auditors' Report

April 15, 2008

To the Board Members of Friends of the Heritage Community Foundation

We have audited the statement of financial position of the **Friends of the Heritage Community Foundation** (the "Foundation") as at December 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Foundation derives revenue from sponsorships and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to grants, revenue, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the sponsorships and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Friends of the Heritage Community Foundation

Statement of Financial Position

As at December 31, 2007

	2007	2006
	\$	\$
Assets		
Current assets		
Cash (note 3)	105	1,662
Accounts receivable	225	135
Prepaid expense	-	80,600
	360	82,397
Property and equipment (note 4)	5,373	14,661
	5,733	97,058
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities		2,636
Deferred contributions		70,124
		72,760
Net Assets		
Unrestricted	360	9,637
Invested in property and equipment	5,373	14,661
	5,733	24,298
	5,733	97,058

Friends of the Heritage Community Foundation

Statement of Changes in Net Assets

For the year ended December 31, 2007

	2007		
	Unrestricted \$	Invested in Property and equipment \$	Total \$
Balance – Beginning of year	9,637	14,661	24,298
Excess revenue over expenses for the year	(9,277)	(9,288)	(18,565)
Balance – End of year	360	5,373	5,733

	2006		
	Unrestricted \$	Invested in Property and equipment \$	Total \$
Balance – Beginning of year	7,800	23,971	31,771
Excess revenue over expenses for the year	1,837	(9,310)	(7,473)
Balance – End of year	9,637	14,661	24,298

Friends of the Heritage Community Foundation

Statement of Operations

For the year ended December 31, 2007

	2007	2006
	\$	\$
Revenues		
Grants		
Fundraising capacity building	50,953	25,524
Heritage Learning Network	19,169	55,830
Other revenue	5,330	12,177
Doors Open Alberta	-	47,858
Multi Media 100 Years Strong	-	37,858
	75,452	179,247
Expenses		
Contractor and consulting services	80,600	158,009
Amortization	9,288	9,310
Office	4,129	6,499
Professional fees	-	2,702
Salaries, wages and benefits	-	10,200
	94,017	186,720
Excess expenses over revenue for the year	(18,565)	(7,473)

Friends of the Heritage Community Foundation

Statement of Cash Flows

For the year ended December 31, 2007

	2007	2006
	\$	\$
Cash provided by (used in)		
Operating activities		
Excess expenses over revenue for the year	(18,565)	(7,473)
Item not affecting cash		
Amortization	9,288	9,310
	(9,277)	1,837
Net change in non-cash working capital items		
Accounts receivable	(120)	2,330
Accounts payable and accrued liabilities	(2,636)	496
Deferred contributions	(70,124)	(17,076)
Prepaid expense	80,600	8,195
	(1,557)	(4,218)
Decrease in cash	(1,557)	(4,218)
Cash – Beginning of year	1,662	5,880
Cash – End of year	105	1,662
Supplementary information		
Interest received	-	-

Friends of the Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

1 The Foundation

Friends of the Heritage Community Foundation (the “Foundation”) was incorporated under the Societies Act on November 24, 2003 with operations commencing in 2004. The Foundation supports, the Heritage Community Foundation, a charitable trust with common trustees, in the achievement of its mandate to “link people with heritage through discovery and learning”. As a charitable organization the Foundation is exempt from income taxes.

The Foundation will broaden the capacity of Heritage Community Foundation to work with communities. It will assist Heritage Community Foundation by supporting programs to help build community identity and pride.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. These financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue in the year in which they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Property and equipment

Property and equipment are recorded at cost. Amortization is provided for using the straight-line method at the following rates:

Furniture and fixtures	8 years
Computer equipment	4 years
Computer software	4 years
Leasehold improvements	3 years

One half of the above rates are applied in the year of addition or disposal.

Donated materials and services

Donated materials and services are only recorded at fair value when the fair value can be reasonably estimated and when the materials or services would otherwise be normally purchased by the Foundation.

Change in accounting policies

Effective for the commencement of its 2007 fiscal year, the Foundation adopted the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3855, Financial Instruments-Recognition and Measurement, CICA Handbook Section 3861, Financial Instruments Disclosure and Presentation, and CICA Handbook Section 3865, Hedges. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide comprehensive requirements for the recognition and measurement of financial instruments.

Friends of the Heritage Community Foundation

Notes to Financial Statements

December 31, 2007

Financial instruments

Handbook Section 3855, Financial Instruments-Recognition and Measurement provides guidance on the recognition and measurement of financial assets, financial liabilities and derivative financial instruments. This new standard prescribes when to recognize a financial instrument on the balance sheet and at what amount. Depending on their balance sheet classification, fair value or cost-based measures are used. Based on financial instrument classifications, gains and losses on financial instruments are recognized in net revenue (expenditures) or net assets.

The Foundation has made the following classifications:

Cash is classified as “Assets held for trading”. It is measured at fair value and the gains or losses resulting from the re-measurement at the end of each period are recognized in the consolidated statement of operations.

Grants and contracts receivable are classified as “Loans and receivables”. They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

Accounts payable and accrued liabilities and long-term debt are classified as “Other financial liabilities”. They are initially measured at their fair value. Subsequent measurements are recorded at amortized cost using the effective interest rate method.

These new standards are to be applied without restatement of prior period amounts. Upon initial application, all adjustments to the carrying amount of financial assets and liabilities shall be recognized as an adjustment to the opening balance of net assets. The adoption of the new section did not have a material effect on the Foundation’s financial results.

All derivative instruments, including embedded derivatives, are recorded at fair value unless exempted from derivative treatment as a normal purchase and sale. The Foundation has elected to apply this accounting treatment for all embedded derivatives in host contracts entered into on or after January 1, 2003. The Foundation has determined that they do not have any derivatives.

Hedges

Handbook Section 3865, Hedges allows optional treatment providing that hedges be designated as either fair value hedges, cash flow hedges or hedges of a self-sustaining operation. Since the Foundation has not entered into any hedge transactions, this section did not have any impact on the Foundation’s financial statements.

Accounting changes

Effective January 1, 2007, the Foundation adopted CICA Handbook section 1506, “Accounting Changes”, providing standards for accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and corrections of errors. The section also specifies that a change in accounting policy, if not required by a primary source of Canadian GAAP, should be made only if it results in more reliable and relevant information. Section 1506 includes disclosure rules regarding the description and impact on the Foundation’s financial results of future accounting standards not yet applied. The adoption of the new section did not have a material effect on the Foundation’s financial results.

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Future accounting pronouncements

Effective January 1, 2008, the Foundation will be required to adopt the following new accounting standards issued by the CICA:

CICA 3855 – Financial Instruments – Recognition and Measurement

CICA 3862 – Financial Instruments – Disclosures

CICA 3863 – Financial Instruments – Presentation

CICA 1535 – Capital disclosures

The Foundation has not yet assessed the impact of adopting these new standards on the financial position or reported results.

3 Cash

Cash includes \$nil (2006 – \$1,662) received as grant and donation revenue for delivery of certain programs.

4 Property and equipment

			2007	2006
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Furniture and fixtures	1,811	791	1,020	1,246
Computer equipment	27,919	24,340	3,489	10,637
Computer software	6,909	6,045	864	2,591
Leasehold improvements	1,127	1,127	-	187
	37,766	32,393	5,373	14,661

During the year, amortization of property and equipment of \$9,288 (2006 – \$9,310) was recorded.

5 Related party transactions

During the year, the Foundation incurred contractor and consulting expenses of \$80,600 (2006 – \$158,009) and recognized revenue of \$5,330 (2006 – \$12,177) from an affiliated charitable organization. The Foundation incurred office expenses of \$1,662 from the affiliated charitable organization. Prepaid expenses include \$nil (2006 – \$80,600) paid to the affiliated charitable organization.

These transactions are considered to be in the normal course of business and are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties.

6 Financial instruments

The carrying value of cash, accounts receivable and accounts payable and accrued liabilities approximates the fair value due to the relatively short-term maturities of these instruments

World War II: The Homefront in Alberta

<http://www.albertasource.ca/homefront/>



The province of Alberta was quick to answer the call to resist the advance of the Axis in Europe. From the beginning of the war in 1939 to its end in 1945, Albertans watched their lives transformed as the war touched their governments, their communities, and their homes.

The artifacts of this pivotal period in Alberta's history have been preserved in a remarkable collection created by Allan and Sharon Kerr.

The Kerrs, who now make their home in Edmonton, Alberta, have graciously made this collection available online in partnership with the Heritage Community Foundation. Highlights from this collection are available in five interactive photograph galleries on this website. In addition, a searchable database of the collection, comprised of over 3,000 images, is available for researchers, students, collectors, and anyone interested in Albertan and Canadian World War II history.



THE PEOPLE OF THE BOREAL FOREST


<http://www.albertasource.ca/borealedukit/>

EDUKIT

In 1951, Terry Garvin began his journey into the boreal forest of Canada's northwest. At the time, he was a constable for the Royal Canadian Mounted Police, assigned to serve at various communities in a section of the boreal forest.


Mr. Garvin would go on to work at a number of different fields in the north. But for all the job changes in his life, the one constant was his passion for the boreal forest, and the Aboriginal Peoples whose cultures had flourished out of the northern wilderness in times long before the arrival of the first Europeans. An avid and skilled photographer, Mr. Garvin turned his passion into a beautiful series of photographs, snapshots of the forest, the people, and a changing way of life in the northwest. These photographs, augmented by the words of Terry Garvin are the foundation for this website.









Alberta's Black Pioneer Heritage

<http://www.albertasource.ca/blackpioneers/>



Alberta's Black Pioneer heritage dates back to the mid-19th century, when several Black pioneers found jobs in the untamed West. By the turn of the 20th century, hundreds of individuals, many accompanied by their families, left their homes in Oklahoma and other nearby states to begin a new life in Canada. Anxious to purchase affordable homesteads offered by the Government of Canada and desperate to escape a life of racial discrimination, Alberta's Black pioneers travelled north to Manitoba and eventually settled on scattered homesteads throughout northern Alberta.

The Alberta's Black Pioneer Heritage Web site tells individual and community stories from the pioneer era to contemporary urban society. Throughout the past 100 years, Alberta's Black pioneers and their descendants have changed and adapted. In Alberta, they could not escape racial discrimination and prejudice and theirs is a story of perseverance and courage.


Creative Edmonton

<http://www.creativeedmonton.ca/>

The Cultural Inventory and construction of the Creative Edmonton Website, is a legacy project of the Edmonton Cultural Capital Program. Edmonton was awarded the designation of Cultural Capital of Canada for 2007.

Edmonton was awarded this designation because of the city's rich tradition of excellence in arts, heritage and culture. The designation enabled the creation of six major celebratory projects that included a new generation of cultural research and artistic programming designed to showcase Edmonton's unique cultural identity. The projects were made possible by funding from the Department of Canadian Heritage and the City of Edmonton.








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Alberta's Heritage Charity — Empowering through knowledge.

It's our Alberta heritage.

Heritage

www.albertasource.ca