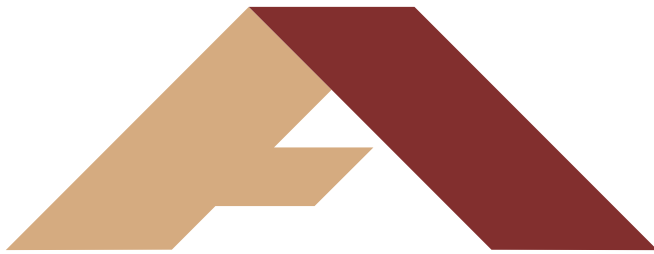


2007-2008
ANNUAL REPORT



NEW BRUNSWICK
FOUNDATION FOR THE ARTS

FONDATION DES ARTS DU
NOUVEAU-BRUNSWICK

The New Brunswick Foundation for the Arts
raises, establishes and manages funds that will
foster, promote and sustain the long-term growth of
New Brunswick's cultural and artistic life.

2007-2008

BOARD OF DIRECTORS

Anne Bertrand

Chair of the Board and Chair of the Management Committee

Aline Saintonge

1st Vice-Chair and Chair of the Programs Committee

Cluny Macpherson

2nd Vice-Chair and Chair of the Fundraising Committee

Ralph Kirkbride

Secretary Treasurer and Chair of the Finance Committee

Raymond Daigle

Director

Don Dubé

Director

Lynn Irving

Director

Sylvie Lévesque-Finn

Ex-officio and provincial government representative

Carol Loughrey

Director

Lorio Roy

Director and Chair of the Communication and Planning Committee

Indu Varma

Director

STAFF

Denise Violette

General Manager

New Brunswick Foundation for the Arts

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2007-2008

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Profile of the Foundation

The New Brunswick Foundation for the Arts (NBFA) is registered with the Canada Revenue Agency as a public charitable foundation, as a trustee and administrator of public and private funds. Its main mission is to promote the long-term sustainability of culture and the arts.

To fulfill its mission, the Foundation offers:

- The Arts and Heritage Stabilization program: *A partnership between the Government of Canada, the Province of New Brunswick and the private sector*
- The Foundation Prizes and Awards
- The Nel Oudemans Memorial Scholarship and Trust Fund
- An Arts Endowment Fund program
- The development and implementation of a policy for donations and endowment funds
- The development and implementation of a policy on investments
- Investment management
- Administrative services.

Located in Fredericton, New Brunswick, the NBFA managed assets of 980 thousand dollars as of March 31, 2008.

Mission of the Foundation

To raise, to establish and to manage funds that will be used to foster, promote, and sustain the long-term growth of New Brunswick's cultural and artistic life.

Primary Objectives:

- To ensure the management and the success of all aspects of the Stabilization program
 - By following up with participating organizations
 - By supporting and evaluating the performance of participating organizations
- To establish and manage an Endowment Fund for the arts
 - By increasing public awareness about the work of the Foundation
 - By conducting a fundraising campaign
 - By positioning the Foundation as a leader in the management of endowment funds for the arts
- To assist arts, cultural and heritage organizations in building their capacity and stability
 - By holding information and training sessions and other events
 - By offering assistance with strategic planning and technical knowledge
 - By collaborating with other organizations with similar goals

The Vision of the Foundation

New Brunswick's cultural and arts communities are rich, vital, well-protected and well-funded.

- The NBFA is recognized by donors, organizations and partners for its vision and its accomplishments.
- It offers to its clients a variety of support mechanisms and financial incentives.
- Stakeholders recognize its strong governance and its long-term strategic vision.
- It is led by a team of well-qualified and influential managers.
- It has strong relationships and communicates regularly with its major stakeholders.

Values of the Foundation

RESPECT FOR DONORS – The NBFA communicates with its donors regularly and offers clear information about management, financial planning and activities.

ACCOUNTABILITY, DILIGENCE AND INTEGRITY – The NBFA acts prudently and manages wisely. It acts in strict conformity with generally accepted accounting and auditing principles and regulations. It refrains from any action that could be harmful. At all times, it acts in good faith and does not abuse power in any way.

CAREFUL AND STRATEGIC DECISION-MAKING – The NBFA cultivates sound, thoughtful and strategic decision-making and works to achieve its objectives through a participatory process involving the sharing of the directors' expertise.

Message from the Chair

Since New Brunswick's earliest beginnings, its arts and heritage organizations have enhanced the quality of life of residents by providing interesting job opportunities, bolstering tourism and helping to drive the local and provincial economies. Cultural institutions not only fuel the vitality of their communities, but they actually help build those communities while helping the province as a whole build on its proud heritage. A vibrant cultural environment plays a major role in inspiring current residents to remain in New Brunswick all the while attracting new residents to make New Brunswick their new home.

Created some 16 years ago, the New Brunswick Foundation for the Arts set out to promote the artistic and cultural life in New Brunswick. In doing so, the Foundation opted to manage an arts and heritage stabilization program designed to assist New Brunswick's art and heritage institutions to overcome their operational deficits and other difficult challenges: the overriding purpose of stabilization: strengthen the financial, organizational and creative capacities of the participating organizations while enhancing their long-term viability. As a consequence, the Stabilization program became the main focus and primary objective of the Foundation.

I am happy to report that over the last two years, the Foundation approved 10 artistic and cultural organizations, which met the stringent program criteria, and which concluded a comprehensive organizational assessment and strategic planning exercise to govern their operations for the next three years. The Foundation committed funds to those program participants ranging between 25,000 and 125,000 dollars, in addition to providing them with professional assistance in matters of planning, financial management and technical support of many applications. This funding came with a caveat: that the participating organizations were required to adhere to the stringent criteria for the next three years under seal of a legal contract.

Our fervent belief is that at the end of the organization's demanding contract in the Foundation's Stabilization program, the participating organizations will be well suited to: meet the daily pressures of financial demands; follow sound business practices in a stable environment; and, to do what they do best, i.e., create and present the art we so enjoy.

Our best measure of success as an arts foundation will be the long term sustainability of those artistic and cultural organizations we have assisted, a goal we intend to achieve by 2010.

With the Foundation well on its way to making the Stabilization program a success, during the past year, we set out to plan for 2010 and beyond. Our secondary focus thus became to strategically position the Foundation as a leading arts foundation with a proven record of sound decision making, transparent operations, and credibility. In order to achieve that goal, we acknowledged the need to create an important and permanent endowment fund. For this, we need donors who believe in our cause, who believe in the work we do.

Thus, Foundation set out to show the public that they could believe in us. The New Brunswick Foundation for the Arts found a voice and an image, due in large part to the considerable recognition and support from the media in raising its profile, for which the Foundation is indebted. Through the many announcements during the past 12 months, the Foundation benefited greatly from positive media coverage of its work with the artistic and cultural organizations. Furthermore, those news events had an ancillary and equally beneficial recognition of the upstanding work of the artistic and cultural organizations throughout the province. In-depth newspaper articles, continued television reports and radio promotion, in both French and English, of the Foundation's work simply cannot be overly stated. I was sincerely humbled by the accolades received throughout the past year for the work the Board Members and I have accomplished as dedicated volunteers - it made all the hard work worth it.

Now we look to the future of the Foundation for the Arts - one which will see the Foundation become a leader in the arts community.

Highlights as of March 31, 2008

To fulfill its mission during the 2007-2008 fiscal year, the Foundation had a total budget of 628 thousand dollars. For the same period, it allocated financial incentives of approximately 545 thousand dollars to not-for-profit arts organizations in the Stabilization program. The *Arts & Heritage Stabilization Program: A partnership between The Government of Canada, the Province of New Brunswick and the private sector* provides support to organizations experiencing financial difficulties or technical issues so they can resolve their problems and improve their financial situation and their organizational structure.

In spring 2007, the Foundation conducted a consultation on the needs of the artistic and cultural community. Afterwards, it reflected on the information and considered options for the future orientation of the organization. An analysis of the comments and suggestions offered by donors and other participants enabled the Foundation to define its objectives and strategies for the 2007-2010 period. Thanks to the hard work of the Foundation's administration, the vision and the mission were reaffirmed and the various means of attracting financial support and partnerships to foster sustainable development in the arts and cultural sector were identified.

The Foundation worked once again with the Toronto Dominion Bank to celebrate an arts organization that had developed and maintained a record of distinguished performance and community involvement over the years, by promoting and presenting a high level of artistic achievement. In September 2007, the TD Canada Trust Award for Arts Organization of the Year was awarded to the Saint John Theatre Company.

In addition, the Foundation, as partner of the Oudemans Family, awarded the fifth annual Nel Oudemans Memorial Scholarship, named in honour of the renowned weaver, to Paula Stockdale, from Sussex, NB. Paula is a second-year student in Textiles at the New Brunswick College of Craft and Design in Fredericton.

In order to encourage public art, the Foundation revised and enhanced the Municipality of the Arts program, adding to the award a work of art or an arts event or performance of a value of up to ten thousand dollars.

Last but not least, the Foundation developed a communication plan and continues to circulate information about its activities and accomplishments through such media as its Web site, radio, television and newspapers.

Programs

ARTS AND HERITAGE STABILIZATION PROGRAM

Thanks to the generous contribution of the federal and provincial governments, the Samuel and Saidye Bronfman Foundation and the valuable donations of the private sector, the Foundation launched the *Arts and Heritage Stabilization Program: A partnership between the Government of Canada, the Province of New Brunswick and the private sector* on February 9, 2006. The program does not attempt to replace local fundraising initiatives, but rather to help arts and heritage organizations in the province eliminate their problems with accumulated deficits, negative balances and low capital reserves. The program also provides funds for technical support to assist the organizations in developing their individual management skills and requirements.

Fourteen organizations applied to the program in April 2006, and seven others applied to the second and final competition that closed on April 2007. With the assistance of Guy Lévesque, a consultant, the following organizations qualified for one or more of the components of the Stabilization program and took part in a strategic planning exercise and an organizational assessment: the Atlantic Ballet Theatre of Canada, the Frye Festival, Fredericton Arts and Learning, Gallery Connexion, the Beaverbrook Art Gallery, the New Brunswick Summer Music Festival, Symphony New Brunswick, Theatre New Brunswick, the Théâtre populaire d'Acadie and the York Sunbury Museum.

By March 31, 2008, the Foundation had signed agreements with seven of these organizations and had made an announcement about the Stabilization program at press conferences. The organizations submit activity reports, financial reports and take part interviews every three months as part of a review.



Raymond Daigle, Director of the Foundation for the Arts, and Clare McCain, Chairperson of the Theatre New Brunswick Foundation, in March 2007; a Stabilization agreement led to noteworthy artistic and financial accomplishments for Theatre New Brunswick.

Theatre New Brunswick was the first arts organization in the province to receive support from the Stabilization program. At first, the forty-year-old theatre company carried an accumulated deficit and operating fees that prevented it from fully realizing its artistic vision. With the financial incentives of the Stabilization program and the partnership of the Theatre New Brunswick Foundation, TNB was able to eliminate its accumulated deficit, rationalize its operations and revise its programming so that it could attract a wider audience. As a result, after the first year in the Stabilization program, the company had surpassed its sales and revenue forecasts. Theatre New Brunswick is now beginning its second year in the program, and is busy planning activities in Moncton and Saint John. Thanks to technical assistance from the Stabilization program, TNB hopes to develop better marketing methods in order to increase its audience and subscription base.

2007-2008

No arts organization can properly function, nor can it fully realize its artistic vision, if it is dealing with organizational and financial problems that threaten its very survival. The Stabilization program requires participating organizations to eliminate their operating deficit, maintain a balanced budget and establish a reserve fund equivalent to 25% of their annual revenue.

The Théâtre populaire d'Acadie was welcomed into the Stabilization program in June 2007. Thanks to a conscientious administration, this touring company manages the Boîte-Théâtre and the theatre in Caraquet's Cultural Centre. Although it is located in a culturally rich but rural region, the TPA succeeds in attracting a good number of artists and partners who help it to thrive. It has a diverse audience spanning vastly different socioeconomic backgrounds, rural and urban communities and all Acadian regions throughout the Maritimes. Despite the challenges it has faced, the TPA managed to produce more than a hundred shows over the last thirty years and has a balanced budget. In the future, the TPA hopes to place a greater emphasis on audience development and relations with the public, guarantee permanent access to highly professional infrastructures, become more open to artistic exploration and, finally, increase and stabilize the company's finances. It was for these reasons that the TPA merited the financial incentive of the Foundation for the Arts. The funds will provide the TPA with a working capital of 100 thousand dollars. In 2008, technical assistance from the Stabilization program has also helped the TPA develop and implement a policy on human resources development that will benefit all of its employees.



Anne Bertrand, Chair of the NBFA, and Marielle Abud, President of the TPA, signing an agreement that will provide access to Stabilization funding for the TPA.

2007-2008

From the very beginning of the Stabilization program, the Foundation for the Arts made a point of clearly setting out the program's objectives and criteria. It is committed to monitoring and measuring the performance of participating organizations through quarterly reports and interviews. Organizations are also required to inform the Foundation of any error or violation of their Stabilization agreement that may arise, and to take whatever measures are necessary to resolve these matters quickly and effectively.



Accompanied by the Saint John String Quartet, Tom Condon, President of Symphony New Brunswick, and Anne Bertrand, Chair of the Foundation for the Arts, show mutual appreciation for the success of their Stabilization agreement, which will provide funds to eliminate the Symphony's accumulated deficit, and to provide working capital funds and technical help. At the end of its first year in the program, Symphony NB has a balanced budget and enjoys a higher profile, which has led to higher revenue and more donations and sponsorships: a breath of fresh air for an organization that will soon be turning sixty!

The skills and knowledge gained through the Stabilization program are considerable. They highlight the necessity and the benefits of planning for success.



Anne Bertrand with Dawn Arnold, President of the Frye Festival, at the announcement of the Frye Festival's entry into the Stabilization program last February.

The Frye Festival showcases the best of Canadian and international literature. Since 1999, more than 300 important writers have fed the imaginations of thousands of festival-goers. In 2008, the Festival increased its box-office sales by more than 25 percent, and extended its reach by sponsoring events in 12 different communities. More than five hundred books have been donated, most of them to students. With an increasingly large scale of events and audiences who come back asking for more, the Festival enjoys record-breaking popularity. It was the Frye Festival's desire to target a more focused market that earned it the Foundation's financial support. With this funding, the Festival will be able to examine new marketing strategies and evaluate the effectiveness of its current initiatives. Approximately 125 volunteers contribute to the Festival's success.

Gallery Connexion is an artist-run gallery that features contemporary and experimental artwork in the visual arts, the performing arts, literature and music. The Gallery's mandate is to expose artists and the general public to works that deal directly or indirectly with social and political issues. During the year, the Gallery presented the East Meets West exhibition, organized a music and motion performance in the streets of Fredericton, had a film night featuring a documentary on forest management in New Brunswick, and hosted several visual arts exhibitions including one by Aboriginal artist Bonnie Devine, entitled *Writing Home*, during which a postcard story workshop involved nearly forty people in the creative exercise of writing flash fiction inspired by postcards. Its dedication and commitment are remarkable, and the Foundation for the Arts showed its appreciation for the Gallery's ongoing hard work by providing them with the means to establish a working capital fund. It also offered the Gallery technical help to obtain equipment for documenting its activities and to adapt its space to make it more suitable for new media exhibitions and installations. The Gallery, which previously could not meet the needs of certain artists, will now be able to open its space to wider range of artists and work. The Gallery knows it has found the key to keeping and even strengthening the public's interest.



Carol Collicutt, President of Gallery Connexion, and Anne Bertrand, making the Stabilization agreement with the Gallery official in October 2007.

2007-2008

NEL OUDEMANS SCHOLARSHIP

Every year, this scholarship reminds us of the outstanding contribution of Nel Oudemans to the development of fine crafts in New Brunswick, and offers an award and financial support to a student from the province who is studying at the post-secondary level in crafts or visual arts. In 2007, the Nel Oudemans Scholarship was awarded to Paula Stockdale, a student in the Applied Arts program at the College of Craft and Design in Fredericton. Originally from Sussex, Paula is planning to work as a textile artist and create wearable art made of felt and hand-woven materials. She is interested in creating clothing and accessories in natural, environmentally-friendly fibres, and hopes to raise public awareness about the environment. In the future, she wants to work only with fibres from animals that have not been harmed in the process.



TD CANADA TRUST AWARD FOR ART ORGANIZATION OF THE YEAR

In September 2007, the Foundation awarded the TD Canada Trust Award for Arts Organization of the Year to New Brunswick's largest community theatre, the Saint John Theatre Company. This company has worked enthusiastically to involve the community in theatre activities and in creating a milieu in which local playwrights, designers, and performers can now develop their talents and skills and make their own debut in theatre. Their accomplishments, as well as the invaluable incentive and support provided by TD Canada Trust, give the Foundation good reason to feel confident about the future of the arts in the province.



Anne Bertrand, Chair of the NBFA, with Laura Mae Slocum, Manager of the Saint John branch of TD Canada Trust, presenting the certificate and the three thousand dollar prize cheque to the Artistic Manager of the Saint John Theatre Company, Stephen Tobias.

Financial Statements

AUDITORS' REPORT

To the Directors of the
New Brunswick Foundation for the Arts

We have audited the statement of financial position of **New Brunswick Foundation for the Arts** as at March 31, 2008 and the statements of operations and changes in fund balances 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 charitable organizations, the Foundation derives contributions from the general public, the completeness of which is not susceptible to 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 contribution revenues, excess of revenue over expenses, assets and fund balances.

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 contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2008 and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fredericton (New Brunswick)
June 3, 2008



Grant Thornton LLP
Chartered Accountants

New Brunswick Foundation for the Arts
Statement of Financial Position
March 31,

	Stabilization Fund	General Fund	2008 Total	2007 Total
Assets				
Current				
Cash and cash equivalents externally restricted	\$ 98,017	\$ 1,699	\$ 99,716	\$ 177,451
Receivables	6,894	-	6,894	6,399
Short term investments (Note 4)	<u>792,392</u>	<u>81,925</u>	<u>874,317</u>	<u>1,091,951</u>
	897,303	83,624	980,927	1,275,801
Long term investments (Note 4)	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,786</u>
	<u>\$ 897,303</u>	<u>\$ 83,624</u>	<u>\$ 980,927</u>	<u>\$ 1,300,587</u>
Liabilities				
Current				
Payables and accruals	\$ 18,122	\$ 32,105	\$ 50,227	\$ 147,452
Deferred contributions (Note 9)	<u>370,199</u>	<u>-</u>	<u>370,199</u>	<u>434,422</u>
	388,321	32,105	420,426	581,874
Deferred contributions (Note 9)	155,972	-	155,972	337,883
Fund Balances				
Unrestricted	-	36,605	36,605	33,408
Externally restricted	<u>353,010</u>	<u>14,914</u>	<u>367,924</u>	<u>347,422</u>
	<u>\$ 897,303</u>	<u>\$ 83,624</u>	<u>\$ 980,927</u>	<u>\$ 1,300,587</u>

Commitments and Contingencies (Note 5 and 10)

Secretary-Treasurer _____ Chair _____

See accompanying notes to the financial statements.

2007-2008

**New Brunswick Foundation for the Arts
Statement of Operations and Changes in Fund Balances
Year ended March 31,**

	Stabilization Fund	General Fund	2008 Total	2007 Total
Revenues				
Contributions	\$ 246,134	\$ 5,799	\$ 251,933	\$ 140,577
Interest	37,688	2,740	40,428	40,469
Fundraising/other	<u>85,374</u>	<u>-</u>	<u>85,374</u>	<u>148,948</u>
	369,196	8,539	377,735	329,994
Expenditures	<u>330,919</u>	<u>4,666</u>	<u>335,585</u>	<u>224,354</u>
Excess of revenues over expenditures	38,277	3,873	42,150	105,640
Fund balance, beginning of year (restated, Note 12)	<u>314,733</u>	<u>47,646</u>	<u>362,379</u>	<u>275,190</u>
Fund balance, end of year	<u>\$ 353,010</u>	<u>\$ 51,519</u>	<u>\$ 404,529</u>	<u>\$ 380,830</u>

See accompanying notes to the financial statements.

**New Brunswick Foundation for the Arts
Stabilization Fund
Statement of Operations and Changes in Fund Balance
Year Ended March 31,**

	2008	2007
Revenue		
Contributions and donations		
Government of Canada, Minister of Canadian Heritage (Note 9)	\$ 100,772	\$ 56,652
Province of New Brunswick, Culture and Sport Secretariat (Note 9)	100,772	56,652
Samuel and Saidye Bronfman Foundation (Note 9)	44,590	25,067
Fundraising	<u>85,374</u>	<u>143,928</u>
	331,508	282,299
Interest income	<u>37,688</u>	<u>38,228</u>
	<u>369,196</u>	<u>320,527</u>
Expenditures		
Advertising	346	2,405
Bank service charges	232	526
Cleaning	624	636
Equipment rental	6,041	5,872
Grant – debt reduction	28,500	100,000
– working capital	152,643	-
– technical assistance	29,092	7,066
Insurance	500	502
Internet	414	274
Miscellaneous	2,821	1,363
Office supplies	244	2,722
Payroll and benefits	52,885	49,372
Postage and delivery	326	183
Professional fees	34,210	19,949
Rent	11,844	11,859
Special projects and fund raising (Note 8)	628	5,168
Telephone	3,114	3,138
Translation	2,704	549
Travel and meetings	826	1,686
Board and executive meetings	2,207	896
Capital asset acquisition contribution (Note 3)	<u>718</u>	<u>645</u>
	<u>330,919</u>	<u>214,811</u>
Excess of revenue over expenditures (expenditures over revenue)	<u>\$ 38,277</u>	<u>\$ 105,716</u>

2007-2008

**New Brunswick Foundation for the Arts
Stabilization Fund**

Statement of Operations and Changes in Fund Balance (Cont'd)
Year Ended March 31,

2008

2007

Fund balance, beginning of year		
As previously reported	\$ 333,184	\$ 227,468
Prior year unrealized loss of investment holdings (Note 12)	<u>(18,451)</u>	<u>-</u>
As restated	\$ 314,733	\$ 227,468
Excess of revenue over expenditures	<u>38,277</u>	<u>105,716</u>
Fund balance, end of year	<u>\$ 353,010</u>	<u>\$ 333,184</u>

See accompanying notes to the financial statements.

2007-2008

**New Brunswick Foundation for the Arts
General Fund
Statement of Operations and Changes in Fund Balance
Year Ended March 31,**

	2008	2007
Revenue		
Donation – prizes	\$ 3,000	\$ 3,000
Contribution – Province of New Brunswick, Culture and Sport Secretariat	2,000	3,000
General Fund interest	2,364	1,836
Scholarship donations from public	799	1,206
Scholarship interest	376	405
Other income	-	20
	<u>8,539</u>	<u>9,467</u>
Expenditures		
Catering	46	2,827
Scholarships	500	500
Committee expenses and prizes	4,120	6,034
Room rental	-	182
	<u>4,666</u>	<u>9,543</u>
Excess of revenue over expenditures (expenditures over revenues)	<u>\$ 3,873</u>	<u>\$ (76)</u>
<hr/>		
Fund balance, beginning of year	\$ 47,646	\$ 47,722
Excess of revenues over expenditures (expenditures over revenues)	<u>3,873</u>	<u>(76)</u>
Fund balance, end of year	<u>\$ 51,519</u>	<u>\$ 47,646</u>

See accompanying notes to the financial statements.

2007-2008

**New Brunswick Foundation for the Arts
Stabilization Fund
Statement of Cash Flows
Year Ended March 31,**

	2008	2007
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenues over expenditures	\$ 38,277	\$ 105,716
Unrealized loss on investment holdings	<u>(18,451)</u>	<u>-</u>
	1,9826	105,716
Changes in		
Receivables	(832)	4,105
Payables and accruals	(96,295)	105,583
Deferred contributions	<u>(246,134)</u>	<u>(68,371)</u>
	<u>(323,435)</u>	<u>147,033</u>
Investing		
Net decrease in investments	<u>245,402</u>	<u>12,041</u>
Net (decrease) increase in cash and cash equivalents	(78,033)	159,074
Cash and cash equivalents, beginning of year	<u>176,050</u>	<u>16,976</u>
Cash and cash equivalents, end of year	<u>\$ 98,017</u>	<u>\$ 176,050</u>

See accompanying notes to the financial statements.

2007-2008

**New Brunswick Foundation for the Arts
General Fund
Statement of Cash Flows**
Year Ended March 31,

	2008	2007
Increase (decrease) in cash and cash equivalents		
Operating		
Excess of revenues over expenditures (expenditures over revenues)	\$ 3,873	\$ (76)
Changes in		
Receivables	337	550
Payables	<u>(930)</u>	<u>2,001</u>
	<u>3,280</u>	<u>2,475</u>
Investing		
Net increase in investments	<u>(2,982)</u>	<u>(1,866)</u>
Net increase in cash and cash equivalents	298	609
Cash and cash equivalents, beginning of year	<u>1,401</u>	<u>792</u>
Cash and cash equivalents, end of year	<u>\$ 1,699</u>	<u>\$ 1,401</u>

See accompanying notes to the financial statements

New Brunswick Foundation for the Arts
Notes to the Financial Statements
March 31, 2008

1. Nature of operations

New Brunswick Foundation for the Arts is a public charitable foundation created to encourage and promote the artistic and cultural life of New Brunswick. It is exempt from federal and provincial corporate taxes under paragraph 149(1) (l) of the Income Tax Act.

2. Summary of significant accounting policies

Capital assets

Capital assets are recorded at cost less capital contributions, if any.

Revenue and expenditures

Revenue and expenditures are recorded using the accrual basis of accounting.

It is the Foundation's policy to recognize pledges into income upon receipt.

Depreciation

Depreciation is provided as follows:

Computer equipment	33% straight line per year
Computer software	33% straight line per year

Use of estimates

Under Canadian Generally Accepted Accounting Principles management is required to make estimates and assumptions to prepare financial statements. These estimates are based on management's best knowledge of current events and actions that the Foundation may undertake in the future. These estimates and assumptions may affect the amount of assets and liabilities presented as at the reporting date and the reported amount of revenue and expenses during the fiscal period. Actual results may be different from the estimates and assumptions used.

Cash and equivalents

Included in cash and cash equivalents is cash on hand and balances with banks.

Investments

All investments holdings were designated by the Foundation as held-for-trading on April 1, 2007 in accordance with new Canadian Institute of Chartered Accountants (CICA) handbook section 3855, and are recorded at fair value. Interest and dividend income and realized gains and losses are included in investment income and recognized in the period earned. Unrealized gains and losses are included in investment income and recognized in the period in which they arise.

Fair values of investment holdings are determined based on quoted market values available from recognized dealers in such investments.

New Brunswick Foundation for the Arts
Notes to the Financial Statements
March 31, 2008

3. Computer equipment and software - Stabilization Fund

In fiscal 2008 the Foundation purchased computer software in the amount of \$718. This capital purchase was fully funded by contributions received in the 2008 fiscal year. There is a nil net effect to these transactions for purposes of asset recording and related depreciation.

4. Investments

	2008 Market Value	2007 Cost
Stabilization Fund		
Cash	\$ -	\$ 5,051
Bank of Montreal GIC - short term	375,255	361,505
Caisse Populaire Money Market Fund	102,650	159,419
Caisse Populaire Bond Pooled Fund	314,487	409,839
TD Canada Trust Money Market Funds	<u>-</u>	<u>101,980</u>
	<u>792,392</u>	<u>1,037,794</u>
General Fund		
Cash	\$ 867	\$ 713
TD Canada Trust GIC - externally restricted (Note 11) -	13,215	12,744
Government bonds - short term	<u>67,843</u>	<u>40,700</u>
	81,925	54,157
Government bonds - long term	<u>-</u>	<u>24,786</u>
	<u>\$ 81,925</u>	<u>\$ 78,943</u>

See Note 12 for details on effect of change in accounting for investment holdings.

5. Commitments

a) Beginning November 10, 2004 the Foundation leased office facilities to October, 2009 at a minimum annual rent of \$11,069 excluding HST.

b) Beginning January, 2007 the Foundation leased a photocopier and other office equipment to 2010 at a minimum annual lease of \$4,200 excluding HST.

c) Beginning during the 2007 fiscal year, the Foundation has awarded grants to various arts organizations in the province that have qualified for funding through the Stabilization program. The future payments based on contracts signed as of year end are expected to be:

2009	\$316,204
2010	\$128,853
2011	\$ 4,370

These future payments are subject to change if the above noted organizations fail to continue to meet the criteria for funding as set out by the Board of Directors and included in the grant agreements.

New Brunswick Foundation for the Arts
Notes to Financial Statements
March 31, 2008

6. Financial instruments

The Foundation's financial instruments consist of cash and cash equivalents, investments and receivables or payables. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

To assist in managing risk, management has implemented an investment policy which has been approved by the key contributors in connection with funding arrangements.

7. Other matters

The Foundation derives a significant portion of its revenue under funding agreements with the Government of Canada and the Province of New Brunswick.

8. Special projects and fund raising - Stabilization Fund	<u>2008</u>	<u>2007</u>
Expenditures		
Miscellaneous	\$ -	\$ 22
Office supplies	-	33
Translation	-	86
Wages	<u>628</u>	<u>5,027</u>
	<u>\$ 628</u>	<u>\$ 5,168</u>

9. Deferred contributions

Federal and provincial government Stabilization Fund contributions received are being recognized as revenue in relation to the timing of the planned expenditures regarding the specific initiatives funded. This project is expected to be ongoing over an eight year period ending in 2011. As at March 31, 2008 the federal government had advanced all of its project commitment of \$565,000 and the provincial government has advanced all of its \$565,000 project commitment. In addition the Samuel and Saidye Bronfman Foundation had advanced all of a total commitment of \$250,000 to the project. For accounting purposes, the total Stabilization Fund federal and provincial government contribution revenue of \$1,130,000 and the Bronfman Foundation contribution of \$250,000 will be recognized over an eight year period as follows:

	Federal	Provincial	Private	Total
	<u>Gov.</u>	<u>Gov.</u>		
2004	\$ 34,981	\$ 34,981	\$ 4,643	\$ 74,605
2005	48,549	48,549	21,229	118,327
2006	108,621	108,621	59,150	276,392
2007	56,652	56,652	25,067	138,371
2008	100,772	100,772	44,590	246,134
2009	151,567	151,567	67,065	370,199
2010	61,763	61,763	27,329	150,855
2011	<u>2,095</u>	<u>2,095</u>	<u>927</u>	<u>5,177</u>
	<u>\$ 565,000</u>	<u>\$ 565,000</u>	<u>\$ 250,000</u>	<u>\$ 1,380,000</u>

New Brunswick Foundation for the Arts
Notes to the Financial Statements
March 31, 2008

9. Deferred contributions (cont'd)

In relation to this matter a deferred contribution balance has been recorded as follows:

Contribution received prior years	
Province of New Brunswick, Culture and Sport Secretariat	\$ 565,000
Government of Canada, Minister of Canadian Heritage	565,000
Samuel and Saidye Bronfman Family Foundation	250,000
Contribution revenue recognized in prior year as above	(607,695)
Contributions revenue recognized in current year as above	<u>(246,134)</u>
	526,171
Portion to be brought into revenue for 2008-09	<u>(370,199)</u>
Long term portion	<u>\$ 155,972</u>

10. Contingencies

Should the Foundation default on the terms and conditions of the government contributions the Foundation may be required to repay all of the contributions or any part of the contributions not otherwise spent or committed, as noted in paragraph 12.2 of the Canadian Heritage grant agreement.

11. General Fund – Nel Oudemans Scholarship

The Foundation holds a scholarship trust fund in the General Fund entitled “Nel Oudemans Scholarship”. The assets in the General Fund that are restricted for the trust fund include a GIC investment through TD Canada Trust for \$13,215 (2007 - \$12,744) and cash balance of \$1,699 (2007 - \$1,401). During the year, there were donations received in the amount of \$799 and interest on the investment for the fund was \$376 (2007 - \$385). A scholarship in the amount of \$500 was awarded to Paula Stockdale in the 2008 fiscal year.

12. Change in accounting policy

Investments

Effective April 1, 2007, the Foundation adopted new CICA handbook section 3855, *Financial Instruments – Recognition and Measurement*, and as a result the Foundation changed its method of accounting for its investment holdings. In accordance with the transitional provisions of the new handbook section, this change is being applied prospectively with no restatement of prior periods.

Under the previous policy, investment holdings were carried at cost. Interest and dividend income and realized gains and losses were recognized in the period earned. Under the new policy, all investment holdings are classified as held-for-trading and are carried at fair value. Interest and dividend income and realized gains and losses are included in investment income and recognized in the period earned. Unrealized gains and losses are included in investment income and recognized in the period in which they arise.

New Brunswick Foundation for the Arts
Notes to Financial Statements
March 31, 2008

12. Change in accounting policy (Cont'd)

Investments

Accordingly, on April 1, 2007, the Foundation re-measured its investment holdings and recorded them at fair value. The opening carrying value of investments was adjusted from \$1,116,737 to a fair value of \$1,098,286. The difference of \$18,451 has been applied to the beginning Stabilization Fund balance.

As a result of this change, investments are valued at fair value as at March 31, 2008 with comparative amount valued at cost as at March 31, 2007

Board of Directors

MEMBERSHIP AND ACTIVITIES OF THE BOARD OF DIRECTORS

The Foundation's work is governed by a Board of Directors with up to fourteen members from different sectors and different regions of New Brunswick.

In 2007-2008, the Board of Directors welcomed three new members, while director Isabelle Losier and the representative from the New Brunswick Arts Board, Mark Blagrave, left the Board. Don Dubé, from the Edmundston area, and Lynn Irving, from the Saint John area, joined the Board in June 2007, while Indu Varma, from the Sackville area, joined in February 2008. The three new members brought to the Board wide experience in the areas of business, financial management and education.

Elected to the executive in June 2007 were the Chair, Anne Bertrand, the Vice-Chair, Aline Saintonge, and the Treasurer, Ralph Kirkbride. In September, the Foundation's bylaws were amended to allow a second Vice-Chair to be named and for the Secretary and Treasurer positions to be combined. The Chair named Cluny Macpherson to the position of Second Vice-Chair.

The Board of Directors met twelve times in the course of the year; nine of the meetings were by teleconference and three were face-to-face meetings in Tracadie, Dieppe and Fredericton. In addition, there were several extraordinary meetings during the year, partly for the purpose of discussing the Stabilization program. The overall participation rate at these meetings was 74 percent.

The Board adopted an amendment to its committee structure, reinstating the Prize and Scholarship Committee that will continue the work of the Program Committee in developing, implementing and funding new scholarship and award programs.

Amendments were made to the bylaws in order to reduce the size of the Board from sixteen to fourteen members and to make it optional to include representation from the New Brunswick Arts Board. In addition, the Board approved a policy on the payment of invoices and another on the management of publicly traded security donated to the organization.

Pledges continue to come in throughout the year, as donors to the major fundraising campaign of 2005 had promised. The Board continue to seek out new sources of funding to add to the Arts and Heritage Stabilization program funds.

The Board conducted a consultation process as part of its strategic planning exercise. Donors, clients and community members were contacted in order to identify the most pressing needs of the arts and cultural sector and to define the direction which the Foundation should take over the next three years. The 2007-2010 strategic plans were approved, and the vision, mission and values that emerged from our discussions are included in the first few pages of this report.

BOARD MEMBERS BIOGRAPHY NOTES

ANNE E. BERTRAND, B.Sc., LLB – Chair Anne Bertrand, has been a lawyer in private practice for over 20 years, currently practising under Le Cabinet BERTRAND *Law*. She has acquired extensive experience as counsel appearing before all levels of court including the Supreme Court of Canada, and has sat as an adjudicator (arbitrator) and mediator to resolve workplace conflicts in both the public and private sectors. Mme Bertrand also served on many professional boards, including the provincial Labour and Employment Board, the New Brunswick Review Board, and the federal Public Service Staff Relations Board. Mme Bertrand is a past President of the York Sunbury Law Society, continuing member of Law Society committees and she continues to teach law students every year for the provincial Bar Admission Course. Anne Bertrand acquired extensive business experience since 1992 when becoming General Manager of operations for ARC Geobac Group Inc., an environmental consulting concern of her husband, Victor Nowicki, a well known Professional Geo-Scientist in New Brunswick and the Maritimes.

During the last 20 years, Madame Bertrand served the public as a dedicated volunteer for not-for-profit and charitable organizations, among those, she served as National Vice-President of the Mounted Police Foundation, as President of the Conseil économique du Nouveau-Brunswick, and Director of the first Board of Directors of the Greater Fredericton Economic Development Corporation. Anne Bertrand became Chair of the New Brunswick Foundation for the Arts in 2006. Her most prized accomplishment is being the mother of two children, Misha and Alexander.

ALINE SAINTONGE – 1st Vice-Chair Aline Saintonge is the President of S&L Transactions Ltd., a management consulting firm. During her career in the New Brunswick public service, Ms. Saintonge held management positions in several departments, namely Agriculture and Rural Development, Health, Family and Community Services, Municipalities, Housing and culture. She also held the position of Deputy Head for the Culture and Sport Secretariat. Aline Saintonge obtained a Bachelor in Education from the Université de Montréal and a Masters in Public Administration from the Université de Moncton. She also holds a Piano Teaching Diploma from Notre-Dame d'Acadie College. She is a Past Vice-President of the Agence de mise en marché d'oeuvres d'art inc. and a Past President of the Fredericton Chapter of the Institute of Public Administration of Canada. Originally from Drummond, New Brunswick, she now resides in Fredericton.

CLUNY MACPHERSON – 2nd Vice-Chair Cluny Macpherson was the President and Chief Executive Officer of the Atlantic Lottery Corporation from 1978 to 2000. Through the years he has held the position of Vice-President of the World Lottery Association, was President of the Interprovincial Lottery Corporation and Past-President of the North American Association of State and Provincial Lotteries. In the community, Mr. Macpherson has served as Chair of the National Corporation Divisions Encore! Campaign for the Capitol Theatre, as President and Director of the Board of Directors of Capitol Theatre, as a Director of Theatre New Brunswick, of the YMCA and as the Founding Director of Junior Achievement.

RALPH KIRBRIDE – Secretary-Treasurer Ralph Kirkbride is a resident of Fredericton and a graduate of the University of New Brunswick with bachelor degrees in Science and Business Administration. Ralph also holds a professional accounting designation from the Certified General Accountants Association of Canada. He retired from the Province of New Brunswick after working in the Audit and Consulting Services section of the Office of the Comptroller for nearly thirty years. Ralph is currently serving as the treasurer on a number of other boards in the arts and cultural sector as well as providing volunteer services for several other organizations.

RAYMOND DAIGLE – Director Raymond Daigle obtained a Bachelor of Arts and a Bachelor of Education from the Université de Moncton and a Licence ès Lettres and a Masters in History from Laval. He began his career as a teacher at the Cité des Jeunes in Edmundston, then served in an impressive series of positions, as Social Sciences Consultant with the Department of Education, Special Advisor for the Francophonie and Director of Cultural Relations and Cooperation for the Intergovernmental Affairs sector and Director of Programs for the Department of Education. In 1988, he became the Assistant Deputy Ministry, first of the Department of Higher Education and Training and then of the Department of Education. In 1997 he was named Deputy Minister of Education, and he continued to hold this

position until he retired in October 2002. Throughout his career, Mr. Daigle served as vice-president of the Association canadienne d'éducation de langue française, member of the Special Advisory Committee for Canadian Studies for the Council of Ministers of Education, delegate of the Canadian Commission for UNESCO to the United Nations, vice-president of the Corporation du Centre Sainte-Anne, Canada—New Brunswick correspondent to the Agence de coopération culturelle et technique (ACCT) in Paris, member and then president of the Board of Directors of the Atlantic Provinces Education Foundation, and member of the executive of the Canadian Education Association (CEA). Mr. Daigle was also a member of the Deputy Ministers' Council of the Council of Ministers of Education in Canada and the Canadian delegate on the Board of Directors of the Centre for Educational Research and Innovation (CERI) of the Organisation for Economic Cooperation and Development (OECD) in Paris. He has been co-chaired Industry Canada's SchoolNet National Advisory Board and been a member of the Board of Governors and the Executive of the Beaverbrook Art Gallery. In addition, Raymond Daigle has taken part in a number of different Cultural Commissions with the Department of Foreign Affairs and continues to be a member and the vice-president of the Centre canadien de leadership en évaluation (CLE). Since his retirement, Mr. Daigle has carried out several research studies and published numerous reports on education at the national and international levels.

DONALD DUBÉ – Director Donald Dubé is from Edmundston and is the president and owner of Edfrex Inc., an important food distribution service for the Atlantic region. He completed a Bachelors degree in Business Administration at the Université de Moncton, and is a Chartered Business Administrator, certified by the Chartered Association of Business Administrators. He is a Trustee and a member of the audit committee for the Colabor Income Fund (CLB.UN); Colabor is an integrated food marketing and distribution network operating in Québec and the Maritimes. In 2006, Mr. Dubé was one of the finalists for the Ernst and Young Entrepreneur of the Year award. Over the years, Mr. Dubé has served as Treasurer for the Edmundston Region Chamber of Commerce, a member of the Board of Directors of the Canadian Deposit Insurance of Canada, Treasurer of Mouska Ltd., and Chairman of the Board of Colabor. He is one of the business leaders honoured with the Samuel Burpee Excellence Award given each year by the Edmundston Region Chamber of Commerce.

LYNN IRVING – Director Lynn Irving holds a Bachelor of Science degree from Acadia University and a degree in Physiotherapy from Dalhousie University. Mrs. Irving is an internal Consultant for Irving Health Services, J.D. Irving, Limited, where she has helped develop and implement Workplace Wellness, Disability Management and Employee Health and Productivity policies, programs and processes. Prior to this, she worked as a hospital based physiotherapist in various clinical settings in Saint John. Prior to accepting a position with Irving Health Services, she was the founder and President of Work Ready, Professional Corporation, a multidisciplinary Occupational Rehabilitation and Work Hardening Clinic in Saint John. Since 2003, she has served on the Board of Governors of Dalhousie University, as well as the Foundation Board of Directors for the Stan Cassidy Rehabilitation Center. As a volunteer, Mrs. Irving has been actively involved in many fundraising activities, including Co-Chair of the Fundraising Gala Dinner for the Muriel McQueen Fergusson Foundation in 2002. She has also served as a former School Board Trustee and the Board of Directors of Symphony New Brunswick where she chaired the Search Committee for the present Artistic Director. Mrs. Irving has earned her Six Sigma Greenbelt designation in 2002 for process improvement initiatives, and Irving Health Services was honoured with an Award of Excellence in Disability Management by the National Institute of Disability Management and Research as well as the Gold Award of Excellence from the New Brunswick Heart and Stroke Foundation for their Workplace Wellness programs. Mrs. Irving resides in Rothesay, N.B. with her husband Jim, where they raised a family of three sons and a daughter.

SYLVIE LÉVESQUE-FINN – Ex-officio Director Sylvie Lévesque-Finn, is currently Deputy Minister of the Department of Wellness, Culture and Sport. Before joining the Department in April 2002, she held several management positions with the Province of New Brunswick, namely in the Department of Environment and Local Government; the Department of Municipalities, Culture and Housing; and with the Restigouche Hospital Centre. Ms. Levesque-Finn is on the Board of Directors of the New Brunswick Arts Board and of the New Brunswick Museum. Ms. Levesque-Finn has a Bachelor degree in Social Work and a Master's degree in Public Administration from the Université de Moncton. She currently resides in Fredericton.

2007-2008

CAROL ASHFIELD LOUGHREY, O.C., M.B.A., F.C.A. (Ont.) – Director Carol Loughrey career has spanned academia, government and business, having been a university professor and administrator, a provincial deputy minister, a practising Chartered Accountant and a consultant in the area of governance and strategic thinking. She has held leadership positions in a number of professional and charitable organizations at the local, provincial and national level. She has co-founded local, provincial and national organizations, primarily in the area of improving cancer care for Canadians. Carol received the Queen’s Golden Jubilee Medal in 2003, was made an Officer of the Order of Canada in 2004 in the category of Industry/Commerce/Business and was named a Paul Harris Fellow in 2005.

LORIO ROY – Director Lorio Roy was publisher and chief executive officer of Les Éditions de L’Acadie Nouvelle (1984) Ltée. Before taking on this position, Mr. Roy was vice-president of operations and communications for Coop Atlantic for more than ten years. He has also worked in the field of postsecondary education for the New Brunswick Community College and in economic development at the Regional Development Corporation. He pursued postgraduate studies in psychology at the University of Moncton and in business administration at the École nationale d’administration publique, in Québec city.

INDU VARMA – Director Indu Varma completed a Bachelor of Arts degree at Rajasthan University in India, a Bachelors of Education degree at Mount Allison University, a Masters of Education at Dalhousie University and a school administration certificate. Ms. Varma has worked in the teaching profession for thirty-seven years, with the last two years as President of New Brunswick Teachers’ Association.

She initiated and conducted a number of telecommunication projects with her students, in order to build their skills and knowledge in the areas of technology, the environment, and living conditions of people around the world. She has received many awards for excellence and innovation in education. Among them are the Governor General's Award for Excellence in Teaching Canadian History, the Prime Minister's Award for Teaching Excellence in Science, Technology, and Math, the national Marshall McLuhan Award for Excellence in Education and a Roy C. Hill (Hilroy) Fellowship Award for Innovation in Education. She was also recognized by the Canadian Embassy in Costa Rica for her work in raising \$10,000 US to help rebuild Los Caroles School after an earthquake. Reflected in these awards are her pioneering efforts, her passion, commitment and dedication to seeking and providing the best possible learning opportunities for the children. Ms. Varma has given numerous talks, workshops, and courses at the regional, national and international levels. She has published curriculum guides and has presented papers at national and international conferences to promote the use of new media in schools and offered practical help to teachers for incorporating technology in their teaching.

Ms. Varma has been the President of the New Brunswick Teachers' Association (2005-07). Throughout her successful teaching career she focused on improving the learning conditions of children and working conditions of the teachers of New Brunswick. As president, her motto, “Our children are worth it!”, her vision, passion, and commitment inspired her colleagues and influenced the decision makers. Some of the visible gains that reflect her work include the grant of a personal notebook computer to each New Brunswick teacher, class size reductions of a minimum of four students per class over a four year period and the establishment of Innovative Learning Fund for New Brunswick public education system.

Through her gentle and persuasive efforts she has contributed to raising the profile of public education in New Brunswick.