



## STAFF REPORT INFORMATION ONLY

### Toronto Arts Council 2006 Annual Allocations Report

<b>Date:</b>	October 12, 2007
<b>To:</b>	Economic Development Committee
<b>From:</b>	Rita Davies, Executive Director, Toronto Culture Economic Development, Culture and Tourism
<b>Wards:</b>	All
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#### **SUMMARY**

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This report provides information on the allocations made by the Toronto Arts Council (TAC) in 2006. The TAC's 2006 allocation from the City of Toronto's Community Partnership and Investment Program budget was \$10,152,560 that included \$9,213,270 for funding allocations and \$939,290 for operations.

A great city fosters a vibrant cultural scene and recognizes the importance of the arts to the quality of life of its citizens. Strategic municipal investment is a key factor in generating a healthy city economy, promoting cultural tourism, creating training and employment opportunities, and seeding the cultural industries. It is an important tool for strengthening neighbourhoods through increased youth engagement and community pride. The TAC offers funding programs to the city's arts organizations and professional artists. These programs, funded through the City of Toronto, invest in a broad range of activities from individual creation and small start-up projects to some of Canada's largest and most renowned arts institutions.

City Council continues its long history in supporting arts and culture organizations and individual artists through funding administered by the Toronto Arts Council. The Annual Allocations Report for the period January 1 to December 31, 2006, submitted by the TAC advised City Council on funding activities during this period and the support City Council has provided to Toronto's meritorious arts organizations, artists and creators.

## **FINANCIAL IMPACT**

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No financial impact.

## **ISSUE BACKGROUND**

At its meeting held on December 4, 5, and 6, 2001, City Council adopted Clause No. 8 of Report No. 12 as amended, of the Economic Development and Parks Committee dated November 1, 2001, from the Commissioner Economic Development, Culture and Tourism, entitled "Toronto Arts Council - Operating Principles". By adopting the clause, City Council granted the authority to enter into a five-year agreement with the Toronto Arts Council (TAC) for the administration of the distribution of arts and culture funding on behalf of the City. At its meeting held on April 23 and 24, 2007, City Council granted authority to renew the agreement with the Toronto Arts Council for a period of five years.

As required by the Agreement, TAC has submitted its Annual Allocations Report to the Committee, covering the period January to December 2006, reporting on financial information, grants adjudication and results, and a list of recipients. As required by the Agreement, TAC has also submitted its Audited Financial Statements to the Deputy City Manager and Chief Financial Officer, and the Executive Director of Culture.

## **COMMENTS**

From the 2006 Community Partnership and Investment Program Budget, City Council has allocated \$10,152,560 to the TAC, which comprised of \$9,213,270 for arts and culture allocations and \$939,290 for the administration of its funding activities. In the Financial Statements contained in its Annual report, TAC supplied income and expenditure information on Cultural Program, Operations Program, and Loan Program for the period January 1 to December 31, 2006.

### **Financial Activities:**

TAC carried over from 2005 a balance of \$156,499, which comprised of \$156,283 in the Loan Program, \$6 in the Cultural Program and \$210 in the Operations Program. During 2006, TAC received \$10,344,673 in total revenues, including: a total allocation of \$10,152,560 from the City's CPIP Budget, \$54,774 in earned interest, \$45,000 in Operations funding from the Toronto Arts Council Foundation (TACF), \$19,637 in Building Renovation Grant, and \$7,500 in Rescinded Allocations from previous years.

TAC showed \$10,339,500 in total 2006 expenses, which comprised of \$9,329,846 in allocations made under the Cultural Program and operating expenditures of \$1,009,654 under the Operations Program. For all line items with variances, TAC has provided satisfactory budget notes denoting explanations for those items. Purchase of Service items included rent, audit, insurance, hydro, telephone, bank charges, computer support, courier and maintenance. TACF contributed \$45,000 to the TAC towards shared operation costs, which included shared rent and shared administrative staff. It recorded

\$161,672 in total year-end balance, which comprised of \$38 in the Cultural Program, \$291 in the Operations Program and \$161,343 in the Loan Program.

#### Funding Activities:

TAC reported that allocations awarded to the arts and culture organizations in 2006 resulted in an estimated 16,500 activities and events, attracting an estimated audience and public participation of 8.37 million people. TAC has submitted fulsome information on its granting activities in three categories: Annual Funding, Project Funding and Funding for Individual Artists.

For Annual Funding, 226 applications under seven disciplines were reviewed by 49 volunteer jury committee members. The disciplines included Community Arts, Dance, Large Institutions, Literary, Music, Theatre and Visual/Media Arts. The jury committees recommended 223 Annual Allocations for a total of \$7,267,544. For Project Funding, 308 applications under six disciplines were reviewed by volunteer jury committee members. The disciplines included Community Arts, Dance, Literary, Music, Theatre and Visual/Media Arts. The jury committees recommended 192 Project Allocations for a total of \$984,922. Out of the total 428 applications for Annual and Project Funding, 30 appealed the committees' recommendations, of which 14 were successful. All the recommendations were approved by the TAC Board of Directors at its meetings. The complete list of successful applicants and their activities are listed in TAC's Annual Allocations Report.

Under Funding for Individual Artists category, 936 applications totalling \$4,548,946 in requests under five individual artist's categories were reviewed by 35 volunteer jury committee members. The categories included Choreographers, Composers, Writers, Media Artists, and Visual Artists. The jury committees recommended 222 allocations for a total of \$1,083,380. All recommendations were approved by the TAC Board of Directors at its meetings. The complete list of successful applicants in these categories is listed in TAC's Annual Allocations Report.

#### Loans:

TAC has a City Council-approved rainy-day Loan Program intended to provide emergency bridge loans to meet unexpected financial hardship experienced by arts organizations from time to time. With a maximum limit of \$10,000, these bridging loans are repayable within one year and designed to meet cash flow demands experienced by TAC client organizations. During 2006, TAC made 9 revolving loans totalling \$85,900. Started in 1977, the Loan Program currently stands at \$161,343, inclusive of \$5,060 in interest earnings generated in 2006.

## **CONTACT**

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## **SIGNATURE**

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