

Human Rights, Citizenship and Multiculturalism Education Fund

Financial Statements

March 31, 2002

**HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
FINANCIAL STATEMENTS
MARCH 31, 2002**

Auditor's Report

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AUDITOR'S REPORT

To the Directors of Human Rights, Citizenship and Multiculturalism Education Fund

I have audited the statement of financial position of The Human Rights, Citizenship and Multiculturalism Education Fund as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed By Fred Dunn, CA
Auditor General

Edmonton, Alberta
May 24, 2002

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Schedule 2)	Actual	Actual
Revenues:			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,062,000	\$ 2,352,000	\$ -
Contributions from the Lottery Fund	-	-	1,062,000
Investment Income	165,000	138,908	200,733
Other Revenue			
Fees	7,000	10	529
Refunds of expenses	15,000	4,087	3,431
	<u>1,249,000</u>	<u>2,495,005</u>	<u>1,266,693</u>
Expenses - Directly Incurred (Note 2b and Schedule 1 and 4)			
Support to community groups	711,000	2,003,184	723,807
Cultural Diversity Institute	250,000	250,000	250,000
Education programs	201,000	176,591	185,947
Fathers of Confederation	50,000	50,000	50,000
Administration	37,000	13,235	18,838
	<u>1,249,000</u>	<u>2,493,010</u>	<u>1,228,592</u>
Net operating results	<u>\$ -</u>	1,995	38,101
Fund balance at beginning of year		<u>1,601,705</u>	<u>1,563,604</u>
Fund balance at end of year		<u>\$ 1,603,700</u>	<u>\$ 1,601,705</u>

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS:		
Cash (Note 3)	\$ 1,648,047	\$ 1,989,531
Accounts receivable (Note 4)	1,300,170	75
	2,948,217	1,989,606
Cash appropriated for non-current use (Note 3 and 5)	1,450,000	1,450,000
	\$ 4,398,217	\$ 3,439,606
LIABILITIES AND EQUITY:		
Accounts payable and accrued liabilities	\$ 1,344,517	\$ 387,901
Equity:		
Fund balance	1,603,700	1,601,705
General reserve (Note 5)	1,450,000	1,450,000
	3,053,700	3,051,705
	\$ 4,398,217	\$ 3,439,606

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>	<u>2001</u>
Operating transactions:		
Net operating results	\$ 1,995	\$ 38,101
Increase in accounts receivable	(1,300,095)	715
Increase in accounts payable and accrued liabilities	<u>956,616</u>	<u>210,399</u>
Cash provided (used) by operating transactions	(341,484)	249,215
Cash at beginning of year	<u>1,989,531</u>	<u>1,740,316</u>
Cash at end of year	<u><u>\$ 1,648,047</u></u>	<u><u>\$ 1,989,531</u></u>

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Human Rights, Citizenship and Multiculturalism Education Fund (Fund) operates under the authority of the Human Rights, Citizenship and Multiculturalism Act, Chapter H-14, Revised Statutes of Alberta 2000.

The purpose of the Fund is to promote equality, increase understanding and acceptance of Alberta's diverse racial and cultural composition, and inform Albertans about their rights and responsibilities under the Human Rights, Citizenship and Multiculturalism Act.

The Fund is owned by the Crown in right of Alberta and is not subject to taxation.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

a) Reporting Entity

The reporting entity is the Fund, which is part of the Ministry of Community Development and for which the Minister of Community Development is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Fund operations are disclosed in schedule 4.

Assets

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

Liabilities

Liabilities represent all financial claims payable by the Fund at fiscal year end.

Fair value

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

The fair values of accounts receivable, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed by Alberta Finance with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of five years. Interest is earned on the Fund's daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates.

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 4 Accounts Receivable

	2002			2001
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Department of Community Development	\$ 1,300,000	\$ -	\$ 1,300,000	\$ -
Other	170	-	170	75
	\$ 1,300,170	\$ -	\$ 1,300,170	\$ 75

Accounts receivable are unsecured and non-interest bearing.

Note 5 General Reserve

The general reserve has been established by appropriation from the fund balance. The purpose of the reserve is to maintain a source for ongoing funding capability. The reserve is not available for operations without authorization of the Treasury Board.

Interest earned on the cash appropriated for the reserve is reported as operating revenue.

Note 6 Commitments

At March 31, 2002, the Fund has the following commitments relating to program contracts and grants:

	2002	2001
2001 - 2002	\$ -	\$ 269,903
2002 - 2003	20,000	-
2003 - 2004	67,120	-
	\$ 87,120	\$ 269,903

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Honoraria

	2002			2001
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Advisory Committee:				
Chair ^(c)	\$ -	\$ -	\$ -	\$ -
Vice-chair ^{(a)(d)}	-	-	-	-
Other members ^(e)	1,332	-	1,332	1,317
	\$ 1,332	\$ -	\$ 1,332	\$ 1,317

- (a) The Fund has no employees. Staff of the Department of Community Development administers the Fund. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.
- (b) No benefits were provided to the Advisory Committee members.
- (c) The Chair of the Advisory Committee is a Member of the Legislative Assembly and is not compensated by the Fund. The Chair received \$15,767 from the Department of Community Development for his duties as Chair of the Advisory Committee.
- (d) The Vice-chair of the Advisory Committee is the Chief Commissioner of the Alberta Human Rights and Citizenship Commission and is not compensated by the Fund. The Vice-chair's salary and benefits are reported in the financial statements of the Department of Community Development.
- (e) Members appointed to the Advisory Committee are paid honoraria for attending meetings and performing other Fund duties at rates set by Ministerial Order.

Note 8 Approval of Financial Statements

The financial statements were approved by the Senior Financial Officer and the Deputy Minister of the Department of Community Development.

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget	Actual	Actual
Grants:			
Support to community groups	\$ 700,000	\$ 1,983,880	\$ 709,125
Cultural Diversity Institute	250,000	250,000	250,000
Fathers of Confederation	50,000	50,000	50,000
	<u>1,000,000</u>	<u>2,283,880</u>	<u>1,009,125</u>
Supplies and services:			
Support to community groups	11,000	19,304	14,682
Education programs	201,000	176,591	185,947
Administration	37,000	13,235	18,838
	<u>249,000</u>	<u>209,130</u>	<u>219,467</u>
	<u>\$ 1,249,000</u>	<u>\$ 2,493,010</u>	<u>\$ 1,228,592</u>

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2001 - 2002</u> <u>Estimates</u>	<u>Treasury Board</u> <u>Approval ^(a)</u>	<u>2001 - 2002</u> <u>Authorized Budget</u>
Revenues:			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,062,000	\$ -	\$ 1,062,000
Investment Income	165,000	-	165,000
Other Revenue			-
Fees	7,000	-	7,000
Refunds of expenses	<u>15,000</u>	<u>-</u>	<u>15,000</u>
	<u>1,249,000</u>	<u>-</u>	<u>1,249,000</u>
Expenses - Directly Incurred			
Support to community groups	711,000	-	711,000
Cultural Diversity Institute	250,000	-	250,000
Education programs	201,000	-	201,000
Fathers of Confederation	50,000	-	50,000
Administration	<u>37,000</u>	<u>-</u>	<u>37,000</u>
	<u>1,249,000</u>	<u>-</u>	<u>1,249,000</u>
Net operating results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Minister of Community Development on April 10, 2001.

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

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

The Fund had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Transfers from the Department of Community Development	\$ 2,352,000	\$ -	\$ -	\$ -
Transfers from the Lottery Fund	-	-	-	1,062,000
	<u>\$ 2,352,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,062,000</u>
Expenses - Directly Incurred				
Grants	\$ -	\$ -	\$ 1,300,000	\$ -
Other services	-	-	3,978	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,303,978</u>	<u>\$ -</u>
Receivable from	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payable to	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>

The Fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in schedule 4.

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 6,655	\$ 5,626
Other services	155,357	150,207	-	-
	<u>\$ 155,357</u>	<u>\$ 150,207</u>	<u>\$ 6,655</u>	<u>\$ 5,626</u>

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002			2001	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses	Total Expenses
		Accommodation Costs	Other Services		
Support to community groups	\$ 2,003,184	\$ 3,367	\$ 71,716	\$ 2,078,267	\$ 794,284
Cultural Diversity Institute	250,000	102	2,679	252,781	252,559
Education programs	176,591	2,083	40,987	219,661	230,091
Fathers of Confederation	50,000	39	1,084	51,123	50,988
Administration	13,235	1,064	38,891	53,190	56,503
	<u>\$ 2,493,010</u>	<u>\$ 6,655</u>	<u>\$ 155,357</u>	<u>\$ 2,655,022</u>	<u>\$ 1,384,425</u>

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