

# **Ministry of Community Development**

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Consolidated Financial Statements

March 31, 2002

**MINISTRY OF COMMUNITY DEVELOPMENT  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002**

Auditor's Report

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## AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Community Development as at March 31, 2002 and the consolidated statements of operations and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Ministry. My responsibility is to express an opinion on these consolidated 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.

Described in the following paragraphs are exceptions from Canadian generally accepted accounting principles. In aggregate, these matters result in an overstatement of liabilities of \$102,000, and an understatement of revenues, expenses, assets, and net assets of \$3,891,000, \$2,192,000, \$5,028,000 and \$5,130,000 respectively in the accompanying financial statements.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are exceptions from Canadian generally accepted accounting principles:

### Excluded operations

The Ministry operates some of its cultural facilities with the assistance of volunteer societies. These volunteer societies collect government revenues, incur expenses and retain the surpluses for operating and improving the facilities. These Ministry revenues, expenses and surpluses have not been reported in these financial statements. We estimate that the omission of the amounts has resulted in revenues, expenses and net assets at March 31, 2002 being understated by approximately \$3,891,000, \$2,161,000 and \$3,106,000 respectively.

For the year ended March 31, 2002, the Ministry operated all of its historical facilities with the assistance of volunteer societies. In prior years, when the Ministry operated some of its historical facilities with the assistance of volunteer societies, the revenues, expenses, and surpluses that related exclusively to the operation of these facilities were excluded from the Ministry's financial statements. As of March 31, 2002, accumulated surpluses of \$385,000 have been returned to the Ministry and recorded as deferred contributions rather than net assets. The effect of this departure from Canadian generally accepted accounting principles is to overstate liabilities and understate net assets by \$385,000 at March 31, 2002.

The Ministry has not recorded additional surpluses not returned to the Ministry, which are estimated to be in excess of \$223,000. The effect of this departure from Canadian generally accepted accounting principles is to understate assets and net assets by approximately \$223,000.

#### Capital assets

The Ministry employs a policy of expensing capital asset purchases under \$15,000 in the year of acquisition. Consequently a significant amount of resources available to the Ministry for future use has been recorded as if it had been consumed. In addition, capital leases have not been recorded as assets and liabilities. It is estimated that at March 31, 2002, assets in the Ministry have been understated by \$1,699,000, liabilities have been understated by \$283,000, net assets have been understated by \$1,416,000 and expenses for the year have been understated by \$31,000.

#### Related party disclosure

As the Ministry's reporting practices stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities are related parties of the Ministry and a description of the nature of the relationship with these regional health authorities should be included in schedule 5, Related Party Transactions. Also Schedule 5 should disclose the expense for the contract services provided by Chinook Regional Health Authority and Palliser Health Authority amounting to \$1,800,000 and \$2,400,000 respectively.

In my opinion, except for the effect of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2002 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that consolidated expenses include payments made by Persons with Developmental Disabilities Boards for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, expenses, estimated at \$5,146,000 related to the care of these individuals, do not comply with the Act.

Original Signed By Fred Dunn, CA  
Auditor General

Edmonton, Alberta  
May 23, 2002

MINISTRY OF COMMUNITY DEVELOPMENT  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2002  
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Schedule 4)		
Revenues (Schedule 1 and 2):			
Internal government transfers	\$ 108,544	\$ 100,714	\$ 61,071
Transfers from the Government of Canada	15,356	16,296	18,397
Investment income	1,440	1,382	1,816
Fees, permits and licences	8,918	7,684	6,332
Other revenue	9,762	11,383	8,441
	<u>144,020</u>	<u>137,459</u>	<u>96,057</u>
Expenses - Directly Incurred (Note 2c and Schedules 2, 3 and 6):			
Promoting community development	90,995	80,830	99,241
Protecting human rights and promoting fairness and access	4,550	5,740	4,195
Ensuring inclusion and participation for Albertans with disabilities	383,605	380,056	339,972
Preserving, protecting and presenting Alberta's history and culture	73,931	44,799	64,301
Preserving, protecting and presenting Alberta's provincial parks and protected areas	41,895	39,802	38,982
Ministry support services	6,941	5,811	6,648
	<u>601,917</u>	<u>557,038</u>	<u>553,339</u>
Valuation adjustments:			
Provision for doubtful accounts	-	(5)	(130)
Provision for vacation pay	819	135	692
	<u>819</u>	<u>130</u>	<u>562</u>
Total expenses	<u>602,736</u>	<u>557,168</u>	<u>553,901</u>
(Gain) loss on disposal of capital assets	<u>(2,320)</u>	<u>137</u>	<u>306</u>
Net operating results	<u>\$ (456,396)</u>	<u>\$ (419,846)</u>	<u>\$ (458,150)</u>

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

MINISTRY OF COMMUNITY DEVELOPMENT  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED MARCH 31, 2002  
(thousands of dollars)

	2002	2001
<b>Assets:</b>		
Cash (Note 4)	\$ 38,337	\$ 33,312
Accounts receivable, prepaid expenses, and inventories (Note 5)	3,499	2,733
Long-term investments (Note 6)	11,170	11,025
Capital assets (Note 7)	208,434	214,480
	\$ 261,440	\$ 261,550
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 44,694	\$ 47,656
Unearned revenue	2,534	809
	47,228	48,465
<b>Net Assets:</b>		
Net assets, beginning of the year (Note 3)	213,085	182,156
Net operating results	(419,846)	(458,150)
Net transfer from General Revenues	420,973	489,079
Net assets, end of year (Note 9)	214,212	213,085
	\$ 261,440	\$ 261,550

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

MINISTRY OF COMMUNITY DEVELOPMENT  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
FOR THE YEAR ENDED MARCH 31, 2002  
(thousands of dollars)

	2002	2001
Operating transactions:		
Net operating results	\$ (419,846)	\$ (458,150)
Non-cash items:		
Amortization	10,165	10,685
Valuation adjustments	130	562
(Gain) loss on disposal of capital assets	137	306
Contribution in kind	(71)	(118)
	(409,485)	(446,715)
(Increase) decrease in accounts receivable, prepaid expenses and inventories before valuation adjustments	(761)	5,792
(Decrease) increase in accounts payable and accrued liabilities before valuation adjustments	(3,097)	(15,645)
(Decrease) increase in unearned revenue	1,725	421
	(411,618)	(456,147)
Investing transactions:		
(Increase) decrease in long-term investments	(4)	543
Proceeds from disposal of capital assets	23	46
Capital asset transfers	9	(541)
Purchase of investments	(141)	-
Purchases of capital assets	(4,217)	(3,378)
	(4,330)	(3,330)
Financing transactions:		
Net transfer from General Revenues	420,973	489,081
	420,973	489,081
Net cash provided	5,025	29,604
Cash and short term investments, beginning of year	33,312	3,708
Cash and short term investments, end of year	\$ 38,337	\$ 33,312

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



MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 1 Authority and Purpose**

The Minister of Community Development (Minister) has, by the Government Organization Act and its regulations, been designated responsible for various Acts. To fulfill these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Community Development (Ministry).

The purpose of the Ministry is to advance the quality of life for Albertans by providing leadership, support and opportunity so they may participate in the social, cultural and economic life of the Province. This is done by:

- promoting community development by designing and delivering programs and services that nurture and support, in partnership with geographic communities and communities of interest, a high quality of life in Alberta;
- protecting human rights and promoting fairness and access by designing and delivering programs and services that increase understanding and awareness of diversity, fostering equality and reducing discrimination so all Albertans have the opportunity to participate in the social, economic and cultural life of the Province;
- ensuring inclusion and participation for Albertans with disabilities by designing and delivering individual-based programs that ensure that Albertans who live with a disability have opportunity to participate in the social, economic and cultural life of the Province;
- preserving, protecting and presenting Alberta's history and culture by designing and delivering programs and services that preserve, protect, present and promote appreciation for Alberta's historical resources and culture, and provide significant educational, scientific and economic benefits; and
- preserving, protecting and presenting Alberta's provincial parks and protected areas by managing and maintaining Alberta's provincial parks and protected areas to preserve the Province's natural heritage and provide opportunities for heritage appreciation, outdoor recreation and heritage tourism.

MINISTRY OF COMMUNITY DEVELOPMENT  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2002

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These consolidated financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. 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 Ministry of Community Development. The Government Accountability Act defines a Ministry as including the Department and any Provincial agency and Crown-controlled organization for which the Minister is responsible.

These consolidated financial statements include the accounts of the following organizations:

<u>Organization</u>	<u>Authority</u>
Department of Community Development	Government Organization Act
Historic Resources Fund	Historical Resources Act
Human Rights, Citizenship and Multiculturalism Education Fund	Human Rights, Citizenship and Multiculturalism Act
Alberta Foundation for the Arts	Alberta Foundation for the Arts Act
The Alberta Historical Resources Foundation	Historical Resources Act
Alberta Sport, Recreation, Parks and Wildlife Foundation	Alberta Sport, Recreation, Parks and Wildlife Foundation Act
The Government House Foundation	Government House Act
The Wild Rose Foundation	Wild Rose Foundation Act
Persons with Developmental Disabilities Foundation	Persons with Developmental Disabilities Foundation Act
Persons with Developmental Disabilities Provincial Board and Community and Facility Boards	Persons with Developmental Disabilities Community Governance Act

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**(a) Reporting Entity (continued)**

All departments of the Government of Alberta operate within the General Revenue Fund (Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by the departments are paid from the Fund. Net Transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

**(b) Basis of Consolidation**

The accounts of the organizations listed in Note 2(a) above have been consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

**(c) Basis of Financial Reporting**

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**(c) Basis of Financial Reporting (continued)**

Expenses

*Directly Incurred*

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

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

*Incurred by Others*

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 6.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

Investments are recorded at cost. Where there has been a loss in the value of an investment that is other than a temporary decline, the investment is written down to recognize the loss.

Inventories are valued at the lower of cost and net realizable value.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**(c) Basis of Financial Reporting (continued)**

Assets (continued)

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is between \$5,000 and \$15,000 in accordance with each organization's capitalization policy. All land is capitalized.

Donated capital assets are recorded at their fair value at the time of contribution.

When physical assets (capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these capital assets less any nominal proceeds are recorded as grants in kind.

Collections of historic and scientific artifacts, archival holdings, and works of art held by the Ministry are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Contributions of collection items are reported as revenue and expenses at their fair value when fair value can be determined.

Liabilities

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

Net Assets

Net assets represents the difference between the value of assets held by the Ministry and its liabilities.

Restricted funds, endowment funds, and general reserves (Note 9) are considered appropriations from net assets and are reported as net assets.

An externally restricted fund accounts for non-government contributions, which can only be used for the purpose specified by the donor.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)**

**(c) Basis of Financial Reporting (continued)**

Net Assets (continued)

An internally restricted fund accounts for funds restricted by the Ministry Foundations for either matching non-government contributions, which can only be used for an identified purpose, or for retaining an ongoing funding capability.

An endowment fund accounts for contributions received under various agreements with sponsors and matching funds may be provided by Ministry Foundations.

Valuation of Financial Assets and Liabilities

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, pre-paid expenses, inventories, long-term investments, and accounts payable and accrued liabilities are estimated to approximate their book values.

**Note 3 Government Restructuring**

As a result of government restructuring announced on March 15, 2001, there were the following changes in the responsibilities of the Ministry:

- Some responsibilities of the Ministry were transferred to the newly established Ministry of Seniors.
- Some responsibilities from the Ministry of Environment and Ministry of Health and Wellness were transferred to the Ministry.

Comparatives for 2001 have been restated as if the Ministry had always been assigned its current responsibilities.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 3 Government Restructuring (continued)**

	(thousands of dollars)
Net assets as previously reported at March 31, 2000	\$ 258,843
Transfer to the Ministry of Seniors	(233,224)
Transfer from the Ministry of Environment	201,388
Transfer from the Ministry of Health and Wellness	(45,887)
Adjustment for Michener Centre Facility Board Program Funds*	<u>1,036</u>
Net assets as restated at April 1, 2000	<u>\$ 182,156</u>

\* These funds are used to provide recreational, social and vocational opportunities and dental services for persons with developmental disabilities. In prior years, these funds were included in the notes to the financial statements only. Effective April 1, 2001 these funds have been included in the Consolidated Statement of Financial Position and Consolidated Statement of Operations.

**Note 4 Cash**

Cash includes deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being 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 Ministry's daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates.

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Cash	\$ 46,504	\$ 41,479
Less appropriated for non-current use (Note 6)	<u>(8,167)</u>	<u>(8,167)</u>
	<u>\$ 38,337</u>	<u>\$ 33,312</u>

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

MINISTRY OF COMMUNITY DEVELOPMENT  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2002

**Note 5 Accounts Receivable, prepaid expenses and inventories**

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
	(thousands of dollars)			
Accounts receivable	\$ 2,287	\$ (43)	\$ 2,244	\$ 2,299
Refunds from suppliers	342	-	342	215
Advances	563	-	563	8
Others including prepaids and inventories	350	-	350	211
	<u>\$ 3,542</u>	<u>\$ (43)</u>	<u>\$ 3,499</u>	<u>\$ 2,733</u>

Accounts receivable are unsecured and non-interest bearing.

**Note 6 Long-Term Investments**

	2002		2001		
	Effective Interest Rate	Cost	Market	Cost	Market
	(thousands of dollars)				
Deposits with life insurance companies, maturing in six years <sup>(a)</sup>	5.125%	\$ 300	\$ 300	\$ 300	\$ 300
Mutual funds - bond fund		2,703	2,738	2,558	2,601
Cash and short-term investments appropriated for non-current use <sup>(b)</sup>		8,167	8,167	8,167	8,167
		<u>\$11,170</u>	<u>\$11,205</u>	<u>\$11,025</u>	<u>\$11,068</u>

<sup>(a)</sup> The deposits with life insurance companies can be realized prior to maturity dates only with the payment of penalties.

<sup>(b)</sup> Cash and short-term investments have been appropriated for non-current use by several entities in the Ministry to segregate the amounts that are needed to meet their long-term needs for endowments, reserves and other restricted uses.



MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Note 7 Capital Assets**

	Estimated Useful Life Years	2002			2001
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
(thousands of dollars)					
General Capital Assets:					
Land	N/A	\$ 39,354	\$ -	\$ 39,354	\$ 39,353
Buildings	20 to 40 yrs	119,868	(56,564)	63,304	66,629
Computer hardware and software	3 to 8 yrs	1,397	(932)	465	254
Equipment	3 to 10 yrs	21,013	(17,701)	3,312	1,842
Other	7 to 20 yrs	16,960	(12,976)	3,984	4,741
		<u>198,592</u>	<u>(88,173)</u>	<u>110,419</u>	<u>112,819</u>
Infrastructure Assets:					
Land improvements	40 yrs	\$ 139,448	\$ (63,623)	\$ 75,825	\$ 78,330
Highways and roads	40 yrs	47,897	(27,984)	19,913	21,099
Bridges	60 yrs	2,894	(617)	2,277	2,232
		<u>190,239</u>	<u>(92,224)</u>	<u>98,015</u>	<u>101,661</u>
		<u>\$ 388,831</u>	<u>\$ (180,397)</u>	<u>\$ 208,434</u>	<u>\$ 214,480</u>

**Note 8 Collections**

Collections consist of historical and scientific artifacts, archival holdings, and works of art of provincial, national and international significance located in the archives, museums and historical sites of the Province of Alberta. The Ministry has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. The collections are insured for \$355 million. A description of the major collections is as follows:

- (a) The Province operates and makes accessible 18 historic sites, interpretive centres and museums that contain 50 restored historic buildings/structures and 3 stabilized ruins. As well, the Province administers an additional 31 historic sites which contain 58 undeveloped historic buildings/structures, 1 developed historic resource, cairns or archaeological/palaeontological remains. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 8 Collections (Continued)**

- (b) The Provincial Museum of Alberta curates 13 human and natural history programs, with a total collection of approximately 10 million objects representing a highly diverse complement of artifacts and specimens. These include mammals, birds, fish, insects, minerals, fossils, plant specimens, ethnographical material related to the First Nations, and Human History artifacts.
- (c) The Royal Tyrrell Museum of Paleontology collection has over 106,000 catalogued items including original and replica fossils. Annually, approximately 2000 specimens are accessioned into the collection.
- (d) Reynolds-Alberta Museum exhibits approximately 150 major agricultural, industrial and transportation artifacts, and provides conservation, maintenance and restoration services for an additional collection of approximately 3,000 major and 2,700 smaller artifacts. Included in these numbers are 75 vintage aircraft, 7 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering 42,200 pieces, related to the museum's mechanization themes.
- (e) The Remington-Alberta Carriage Centre houses one of the largest collections of horse drawn vehicles in the world, with over 200 carriages, buggies, wagons and sleighs, and approximately 230 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of 46,300 artifacts. Approximately 5,000 of these objects are used to furnish various smaller sites throughout the province, and 8,000 objects furnish the historic buildings at the Ukrainian Cultural Heritage Village. The remaining artifacts are preserved in storage.
- (g) The Provincial Archives of Alberta holds 33,500 linear metres of government textual records; 4,500 linear metres of private textual records; 56,900 maps; 22,600 architectural drawings; 2,084,900 photographic images; 46,600 hours of recorded audio tapes; 65,900 hours of film and video materials; and 10,100 volumes of items in the reference library.
- (h) The Collection Management Unit of the Arts Branch, manages fourteen collections containing approximately 1,500 donated, purchased and/or commissioned artworks.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 8 Collections (Continued)**

- (i) The Glenbow-Alberta Institute manages under contract, the care of, and access to, a government collection of 216,300 artifacts in cultural history, military history, ethnology, art and mineralogy; four shelf kilometres of textual archival records; over one million historical photographs; 800,000 feet of film footage; and over 5,000 sound recordings. The collection is continually enhanced each year.
- (j) The Government House Foundation actively collects various significant items pertaining to the history of Government House. The collection is accessible to the public and consists of paintings, drawings, prints, sculptures, furnishings, books and silverware. The majority of the collection is used or displayed in Government House, while some items are on loan to other provincial institutions.

At March 31, 2002, the collection consisted of approximately 378 (2001 – 250) pieces of artworks and other items, with an approximate value \$948,192 (2001 – \$829,396). During the year, the Government House Foundation purchased artworks at a total cost of \$24,000 (2001 – \$7,225). Contributions to the collections included 50 items with an appraised value of \$94,795 (2001 - \$2,637). There were no disposals during the year.

- (k) The Alberta Foundation for the Arts actively collects visual artworks, which document the Province's significant visual artistic achievement. The collection is accessible to the public and consists of paintings, sculptures, drawings, photographs, ceramics, glass, fibre and prints. At year end, the collection consisted of approximately 6,781 (2001 – 6,500) artworks with an approximate value of \$7,072,250 (2001 - \$6,446,500). During the year, the Alberta Foundation for the Arts purchased 215 (2001 – 171) artworks by Alberta artists at a total cost of \$216,594 (2001 - \$230,029). Contributions to the collection included 43 (2001 – 37) artworks with an appraised value of \$387,675 (2001 - \$68,250). There was one disposal during the year for \$95 (2001 - \$NIL).
- (l) The Alberta Historical Resources Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs, and books of historical interest to the Province. There were no acquisitions or disposals during the year (2001 – NIL).
- (m) The Alberta Sport, Recreation, Parks and Wildlife Foundation has a collection of artworks consisting of 25 (2001 – 27) prints of the Waterfowl of North America Collection # 1250 with an approximate value of \$7,297 (2001 - \$7,934). During the year, there were 2 (2001 – NIL) dispositions. The proceeds received of \$275 (2001 - \$NIL) were donated to the Lesser Slave Lake Bird Observatory for charitable purposes.

MINISTRY OF COMMUNITY DEVELOPMENT  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2002

**Note 9 Net Assets**

	2002	2001
	(thousands of dollars)	
Unrestricted funds	\$ 199,171	\$ 197,795
Endowment funds	9,413	9,406
Externally restricted funds	3,540	3,877
Internally restricted funds	121	40
General reserves	1,967	1,967
	\$ 214,212	\$ 213,085

**Note 10 Commitments**

As at March 31, 2002, the Ministry had commitments for leases, contracts and grants approved but not expended, pending fulfillment of eligibility conditions as follows

	2002	2001
	(thousands of dollars)	
Contract Commitments	\$ 64,031	\$ 59,434
Lease Commitments <sup>(a)</sup>	2,558	1,280
	\$ 66,589	\$ 60,714

<sup>(a)</sup> The Ministry leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2001 - 2002	\$ -	\$ 664
2002 - 2003	996	353
2003 - 2004	636	180
2004 - 2005	450	83
2005 - 2006	209	-
2006 - 2007	124	-
Thereafter	143	-
	\$ 2,558	\$ 1,280

MINISTRY OF COMMUNITY DEVELOPMENT  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 2002

**Note 11 Contingencies**

The Department has a contingent liability in respect of 18 claims (2001 – 27 claims) aggregating \$15.1 million (2001 – \$18.2 million) relating to the decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined.

At March 31, 2002, the Department is a defendant in seven other legal claims (2001 – two legal claims). Five of these claims have a specified amount totalling \$1,190,000 and the remaining two have not specified any amount (2001 – two claims with a specified amount of \$250,000). Three claims (2001 – two claims) amounting to \$910,000 (2001 - \$250,000) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

**Note 12 Trust Funds Under Administration**

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purposes of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2002, trust funds under administration were as follows:

	2002	2001
	(thousands of dollars)	
Gakken Dinosaur Exhibit Trust Fund	\$ 150	\$ 144
Fort Dunvegan Historical Society Trust Fund	6	6
Persons with Developmental Disabilities		
Community Board's Client Trust Funds	171	157
Michener Centre Facility Board Client Trust Funds	269	279
	\$ 596	\$ 586

**Note 13 Defined Benefit Plans**

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$4,927,000 for the year ended March 31, 2002 (2001 \$4,186,000).

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**Note 13 Defined Benefit Plans (continued)**

At December 31, 2001, the Management Employees Pension Plan reported a surplus of \$5,338,000 (2000 \$170,858,000) and the Public Service Pension Plan reported a surplus of \$320,487,000 (2000 \$635,084,000). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$399,000 (2000 surplus of \$180,000).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of \$8,646,000 (2001 \$12,710,000) and the Management, Opted Out and Excluded Plan reported an actuarial deficiency of \$2,656,000 (2001 \$4,583,000). The expense for these two plans is limited to employer's annual contributions for the year.

**Note 14 Comparative Figures**

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

**Note 15 Approval of Consolidated Financial Statements**

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