

# **Human Rights, Citizenship and Multiculturalism Education Fund**

---

Financial Statements

March 31, 2003

**Human Rights, Citizenship and Multiculturalism Education Fund  
Financial Statements  
March 31, 2003**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



## 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, 2003 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 Human Rights, Citizenship and Multiculturalism Education Fund as at March 31, 2003 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 23, 2003

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Statement of Operations**  
**For the year ended March 31, 2003**

	2003		2002
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,062,000	\$ 1,062,000	\$ 2,352,000
Transfers from the Alberta Heritage Scholarship Fund	-	32,216	-
Investment Income	130,000	101,621	138,908
Premiums, Fees and Licences	10,000	-	-
Other Revenue			
Refund of Expenses	15,000	23,189	4,087
Donations	-	19,000	-
Other	-	6,168	10
	<u>1,217,000</u>	<u>1,244,194</u>	<u>2,495,005</u>
<b>Expenses – Directly Incurred</b> (Note 2b and Schedules 1 and 4)			
Support to Community Groups	676,000	745,173	2,003,184
Education Programs	154,000	183,563	176,591
Cultural Diversity Institute	240,000	180,000	250,000
Administration	97,000	83,551	13,235
Fathers of Confederation	50,000	50,000	50,000
	<u>1,217,000</u>	<u>1,242,287</u>	<u>2,493,010</u>
Net Operating Results	<u>\$ -</u>	1,907	1,995
Fund Balance at Beginning of Year		<u>1,603,700</u>	<u>1,601,705</u>
Fund Balance at End of Year		<u>\$ 1,605,607</u>	<u>\$ 1,603,700</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, 2003**

	2003	2002
<b>Assets</b>		
Cash (Note 3)	\$ 1,895,006	\$ 1,648,047
Accounts Receivable (Note 4)	535	1,300,170
	1,895,541	2,948,217
Cash Appropriated for Non-Current Use (Notes 3 and 5)	1,450,000	1,450,000
	\$ 3,345,541	\$ 4,398,217
<b>Liabilities and Equity</b>		
Accounts payable and Accrued Liabilities	\$ 289,934	\$ 1,344,517
<b>Equity</b>		
Fund Balance	1,605,607	1,603,700
General Reserve (Note 5)	1,450,000	1,450,000
	3,055,607	3,053,700
	\$ 3,345,541	\$ 4,398,217

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, 2003**

	2003	2002
Operating Transactions		
Net Operating Results	\$ 1,907	\$ 1,995
Decrease (Increase) in Accounts Receivable	1,299,635	(1,300,095)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,054,583)	956,616
Cash Provided (Used) by Operating Transactions	246,959	(341,484)
Cash at Beginning of Year	1,648,047	1,989,531
Cash at End of Year	\$ 1,895,006	\$ 1,648,047

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, 2003**

**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**

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. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

**(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.

Cash donations are reported when received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation, when fair value can reasonably be determined.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

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

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

**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.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

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, accounts payable and accrued liabilities 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



**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 3 Cash (continued)**

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.

**Note 4 Accounts Receivable**

	2003		2002		
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value		
Other	\$ 535	\$ -	\$ 535	\$ 170	
Department of Community Development	-	-	-	1,300,000	
	\$ 535	\$ -	\$ 535	\$ 1,300,170	

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, 2003, the Fund has the following commitments relating to program contracts and grants:

	2003	2002
2002-2003	\$ -	\$ 20,000
2003-2004	77,120	67,120
	\$ 77,120	\$ 87,120

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 7 Honoraria**

	2003		2002	
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Advisory Committee				
Chair <sup>(c)</sup>	\$ -	\$ -	\$ -	\$ -
Vice-Chair <sup>(a)(d)</sup>	-	-	-	-
Other Members <sup>(e)</sup>	1,868	-	1,868	1,332
	\$ 1,868	\$ -	\$ 1,868	\$ 1,332

- (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 \$15,255 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.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2003**

**Note 8 Comparative Figures**

Certain 2002 figures have been reclassified to conform to the 2003 presentation.

**Note 9 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 by Object**  
**For the year ended March 31, 2003**

	2003		2002
	Budget	Actual	Actual
Grants	\$ 955,000	\$ 980,635	\$ 2,283,880
Supplies and Services	192,000	189,784	207,798
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	70,000	70,000	-
Honoraria (Note 7)	-	1,868	1,332
	\$ 1,217,000	\$ 1,242,287	\$ 2,493,010

<sup>(a)</sup> The Fund receives financial and administrative services from the Department of Community Development.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Budget**  
**For the year ended March 31, 2003**

	2002-2003 Estimates <sup>(a)</sup>	Treasury Board Approval	2002-2003 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 1,062,000	\$ -	\$ 1,062,000
Investment Income	130,000	-	130,000
Premiums, Fees and Licences	10,000	-	10,000
Other Revenue			
Refunds of Expenses	15,000	-	15,000
	<u>1,217,000</u>	<u>-</u>	<u>1,217,000</u>
<b>Expenses – Directly Incurred</b>			
Support to Community Groups	676,000	-	676,000
Education Programs	154,000	-	154,000
Cultural Diversity Institute	240,000	-	240,000
Administration	97,000	-	97,000
Fathers of Confederation	50,000	-	50,000
	<u>1,217,000</u>	<u>-</u>	<u>1,217,000</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<sup>(a)</sup> The budget was approved by the Minister of Community Development on February 27, 2002.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Related Party Transactions**  
**For the year ended March 31, 2003**

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, licences 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 related parties:

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
<b>Revenues</b>				
Transfers from the Department of Community Development	\$ 1,062,000	\$ 2,352,000	\$ -	\$ -
Transfers from the Alberta Heritage Scholarship Fund	-	-	32,216	-
	<u>\$ 1,062,000</u>	<u>\$ 2,352,000</u>	<u>\$ 32,216</u>	<u>\$ -</u>
<b>Expenses – Directly Incurred</b>				
Grants	\$ -	\$ -	\$ 50,000	\$ 1,325,000
Other Services	-	-	7,930	3,978
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,930</u>	<u>\$ 1,328,978</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 30,700</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 1,300,00</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

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	
	2003	2002	2003	2002
<b>Expenses – Incurred by Others</b>				
Accommodation	\$ -	\$ -	\$ 8,857	\$ 6,655
Other Services	95,303	155,357	-	-
	<u>\$ 95,303</u>	<u>\$ 155,357</u>	<u>\$ 8,857</u>	<u>\$ 6,655</u>

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Allocated Costs**  
**For the year ended March 31, 2003**

Program	Expenses – Incurred by Others				Total Expenses
	Expenses <sup>(a)</sup>	Accommodation Costs	Other Services	Total Expenses	
Support to Community Groups	\$ 745,173	\$ 4,476	\$ 36,094	\$ 785,743	\$ 2,078,267
Education Programs	183,563	2,779	30,380	216,722	219,661
Cultural Diversity Institute	180,000	139	1,793	181,932	252,781
Administration	83,551	1,405	26,095	111,051	53,190
Fathers of Confederation	50,000	58	941	50,999	51,123
	<u>\$ 1,242,287</u>	<u>\$ 8,857</u>	<u>\$ 95,303</u>	<u>\$ 1,346,447</u>	<u>\$ 2,655,022</u>

(a) Expenses – Directly Incurred as per Statement of Operations

