

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

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Financial Statements

March 31, 2004

**Human Rights, Citizenship and Multiculturalism Education Fund  
Financial Statements  
March 31, 2004**

Auditor's Report

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## Auditor's Report

To the Minister of Community Development

I have audited the statement of financial position of the Human Rights, Citizenship and Multiculturalism Education Fund as at March 31, 2004 and the statements of operations and cash flow 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, 2004 and the results of its operations and its cash flows 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 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,265,000	\$ 1,265,000	\$ 1,062,000
Transfers from the Alberta Heritage Scholarship Fund	45,000	29,294	32,216
Investment Income	150,000	100,436	101,621
Premiums, Fees and Licences	10,000	-	-
Other Revenue			
Refunds of Expenses	15,000	114	23,189
Donations	-	-	19,000
Other	-	14,266	6,168
	<u>1,485,000</u>	<u>1,409,110</u>	<u>1,244,194</u>
<b>Expenses – Directly Incurred</b> (Note 2(b) and Schedules 1 and 4)			
Support to Community Groups	926,000	797,695	745,173
Education Programs	245,000	282,633	183,563
Administration	204,000	211,457	83,551
Cultural Diversity Institute	60,000	60,000	180,000
Fathers of Confederation	50,000	50,000	50,000
	<u>1,485,000</u>	<u>1,401,785</u>	<u>1,242,287</u>
Net Operating Results	<u>\$ -</u>	7,325	1,907
Fund Balance, Beginning of Year		<u>1,605,607</u>	<u>1,603,700</u>
Fund Balance, End of Year		<u>\$ 1,612,932</u>	<u>\$ 1,605,607</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, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 1,674,941	\$ 1,895,006
Accounts Receivable (Note 4)	4,012	535
	1,678,953	1,895,541
Cash Appropriated for Non-Current Use (Notes 3 and 5)	1,450,000	1,450,000
	\$ 3,128,953	\$ 3,345,541
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 66,021	\$ 289,934
<b>Equity</b>		
Fund Balance	1,612,932	1,605,607
General Reserve (Note 5)	1,450,000	1,450,000
	3,062,932	3,055,607
	\$ 3,128,953	\$ 3,345,541

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

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Statement of Cash Flow**  
**Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 7,325	\$ 1,907
Decrease (Increase) in Accounts Receivable	(3,477)	1,299,635
(Decrease) in Accounts Payable and Accrued Liabilities	(223,913)	(1,054,583)
	(220,065)	246,959
Cash Provided by (Applied to) Operating Transactions		
Cash, Beginning of Year	1,895,006	1,648,047
Cash, End of Year	\$ 1,674,941	\$ 1,895,006

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

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**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 (Ministry) and for which the Minister of Community Development (Minister) 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**  
**Year ended March 31, 2004**

**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 carrying 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**  
**Year ended March 31, 2004**

**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 three 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**

	2004		2003	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 4,012	\$ -	\$ 4,012	\$ 535
	\$ 4,012	\$ -	\$ 4,012	\$ 535

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, 2004, the Fund has the following commitments relating to program contracts and grants:

	2004	2003
2003-2004	\$ -	\$ 77,120
2004-2005	161,424	-
	\$ 161,424	\$ 77,120

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 7 Honoraria**

	2004			2003
	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>	2,020	-	2,020	1,868
	\$ 2,020	\$ -	\$ 2,020	\$ 1,868

- (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.

**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**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 1,081,000	\$ 932,695	\$ 980,635
Supplies and Services	227,000	290,070	189,784
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	177,000	177,000	70,000
Honoraria (Note 7)	-	2,020	1,868
	<u>\$ 1,485,000</u>	<u>\$ 1,401,785</u>	<u>\$ 1,242,287</u>

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

**Human Rights, Citizenship and Multiculturalism Education Fund  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 1,265,000	\$ -	\$ 1,265,000
Transfers from the Alberta Heritage Scholarship Fund	45,000	-	45,000
Investment Income	150,000	-	150,000
Premiums, Fees and Licences	10,000	-	10,000
Other Revenue			
Refunds of Expenses	15,000	-	15,000
	<u>1,485,000</u>	<u>-</u>	<u>1,485,000</u>
<b>Expenses – Directly Incurred</b>			
Support to Community Groups	926,000	-	926,000
Education Programs	245,000	-	245,000
Administration	204,000	-	204,000
Cultural Diversity Institute	60,000	-	60,000
Fathers of Confederation	50,000	-	50,000
	<u>1,485,000</u>	<u>-</u>	<u>1,485,000</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Related Party Transactions**  
**Year ended March 31, 2004**

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 Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Transfers from the Department of Community Development	\$ 1,265,000	\$ 1,062,000	\$ -	\$ -
Transfers from the Alberta Heritage Scholarship Fund	-	-	29,294	32,216
	<u>\$ 1,265,000</u>	<u>\$ 1,062,000</u>	<u>\$ 29,294</u>	<u>\$ 32,216</u>
<b>Expenses – Directly Incurred</b>				
Grants	\$ -	\$ -	\$ -	\$ 50,000
Other Services	-	-	7,192	7,930
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,192</u>	<u>\$ 57,930</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 5,350</u>	<u>\$ 30,700</u>	<u>\$ -</u>	<u>\$ 3,600</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	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Accommodation	\$ -	\$ -	\$ 13,056	\$ 8,857
Legal Costs	-	-	724	-
Other Services	151,822	95,303	-	-
	<u>\$ 151,822</u>	<u>\$ 95,303</u>	<u>\$ 13,780</u>	<u>\$ 8,857</u>

**Human Rights, Citizenship and Multiculturalism Education Fund  
Allocated Costs  
Year ended March 31, 2004**

Program	Expenses – Incurred by Others					Total Expenses
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(d)</sup>	Total Expenses	
Support to Community Groups	\$ 797,695	\$ 4,853	\$ -	\$ 8,472	\$ 811,020	\$ 785,743
Education Programs	282,633	5,839	-	112,073	400,545	216,722
Administration	211,457	1,357	-	26,252	239,066	111,051
Cultural Diversity Institute	60,000	948	724	3,897	65,569	181,932
Fathers of Confederation	50,000	59	-	1,128	51,187	50,999
	<u>\$ 1,401,785</u>	<u>\$ 13,056</u>	<u>\$ 724</u>	<u>\$ 151,822</u>	<u>\$ 1,567,387</u>	<u>\$ 1,346,447</u>

(a) Expenses – Directly Incurred as per Statement of Operations  
 (b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.  
 (c) Costs shown for Legal Services on Schedule 3, allocated by estimated costs incurred by each program.  
 (d) Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.