

Human Rights, Citizenship and Multiculturalism Education Fund

Financial Statements

March 31, 2005

**Human Rights, Citizenship and Multiculturalism Education Fund
Financial Statements
March 31, 2005**

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Auditor's Report

To the Minister of Community Development

I have audited the statement of financial position of Human Rights, Citizenship and Multiculturalism Education Fund (the Fund) as at March 31, 2005 and the statements of operations and cash flows 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, 2005 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 19, 2005

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, 2005
(thousands of dollars)

	2005		2004
	Budget	Actual	Actual
Revenues			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,265	\$ 1,265	\$ 1,265
Transfers from the Alberta Heritage Scholarship Fund	45	50	29
Investment Income	150	87	101
Other Revenue			
Refunds of Expenses	10	40	-
Other	15	24	14
	<u>1,485</u>	<u>1,466</u>	<u>1,409</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3)			
Support to Community Groups	1,036	1,014	798
Education Programs	235	237	283
Administration	214	218	211
Cultural Diversity Institute	-	-	60
Fathers of Confederation	-	-	50
	<u>1,485</u>	<u>1,469</u>	<u>1,402</u>
Net Operating Results	<u>\$ -</u>	(3)	7
Fund Balance, Beginning of Year		<u>1,613</u>	<u>1,606</u>
Fund Balance, End of Year		<u>\$ 1,610</u>	<u>\$ 1,613</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, 2005
(thousands of dollars)

	2005	2004
Assets		
Cash (Note 3)	\$ 1,757	\$ 1,675
Accounts Receivable (Note 4)	5	4
	1,762	1,679
Cash Appropriated for Non-Current Use (Notes 3 and 5)	1,450	1,450
	\$ 3,212	\$ 3,129
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 152	\$ 66
Equity		
Fund Balance	1,610	1,613
General Reserve (Note 5)	1,450	1,450
	3,060	3,063
	\$ 3,212	\$ 3,129

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

Human Rights, Citizenship and Multiculturalism Education Fund
Statement of Cash Flows
Year ended March 31, 2005
(thousands of dollars)

	2005	2004
Operating Transactions		
Net Operating Results	\$ (3)	\$ 7
Increase in Accounts Receivable	(1)	(3)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	86	(224)
	82	(220)
Cash Provided by (Applied to) Operating Transactions		
Cash, Beginning of Year	1,675	1,895
Cash, End of Year	\$ 1,757	\$ 1,675

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, 2005

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

(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, 2005

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 3.

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 appropriate security and liquidity of depositors' capital. The

Human Rights, Citizenship and Multiculturalism Education Fund
Notes to the Financial Statements
Year ended March 31, 2005

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 (thousands of dollars)

	2005		2004		
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value		
Accounts Receivable	\$ 5	\$ -	\$ 5	\$ 4	
	\$ 5	\$ -	\$ 5	\$ 4	

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 Contractual Obligations (thousands of dollars)

	2005	2004
Grant Agreements	\$ 68	\$ 4
Service Contracts	87	157
	\$ 155	\$ 161

Human Rights, Citizenship and Multiculturalism Education Fund
Notes to the Financial Statements
Year ended March 31, 2005

Note 6 Contractual Obligations (continued)

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Grant Agreements	Service Contracts	Total
2006	\$ 68	\$ 87	\$ 155
	\$ 68	\$ 87	\$ 155

Note 7 Honoraria (thousands of dollars)

	2005		2004	
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Advisory Committee				
Chair ^(c)	\$ -	\$ -	\$ -	\$ -
Vice-Chair ^{(a)(d)}	-	-	-	-
Other Members ^(e)	1	-	1	2
	\$ 1	\$ -	\$ 1	\$ 2

- (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 03/2004, 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 \$12 (2004 - \$15) 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, 2005
(thousands of dollars)**

	2005		2004
	Budget	Actual	Actual
Grants	\$ 961	\$ 1,017	\$ 933
Supplies and Services	334	261	290
Supplies and Services from Support Service Arrangements with Related Parties ^(a)	190	190	177
Honoraria (Note 7)	-	1	2
	\$ 1,485	\$ 1,469	\$ 1,402

^(a) The Fund receives financial and administrative services from the Department of Community Development.

Human Rights, Citizenship and Multiculturalism Education Fund
Related Party Transactions
Year ended March 31, 2005
(thousands of dollars)

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	
	2005	2004	2005	2004
Revenues				
Transfers from the Department of Community Development	\$ 1,265	\$ 1,265	\$ -	\$ -
Transfers from the Alberta Heritage Scholarship Fund	-	-	50	29
	<u>\$ 1,265</u>	<u>\$ 1,265</u>	<u>\$ 50</u>	<u>\$ 29</u>
Expenses – Directly Incurred				
Other Services	\$ -	\$ -	\$ 9	\$ 7
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 7</u>
Accounts Payable	<u>\$ 13</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</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 3.

	Entities in the Ministry		Other Entities	
	2005	2004	2005	2004
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 18	\$ 13
Legal Costs	-	-	1	1
Other Services	153	152	-	-
	<u>\$ 153</u>	<u>\$ 152</u>	<u>\$ 19</u>	<u>\$ 14</u>

Human Rights, Citizenship and Multiculturalism Education Fund
Allocated Costs
Year ended March 31, 2005
(thousands of dollars)

Program	Expenses – Incurred by Others					Total Expenses	Total Expenses
	Expenses ^(a)	Accommodation Costs ^(b)	Legal Services ^(c)	Other Services ^(d)	Total Expenses		
Support to Community Groups	\$ 1,014	\$ 7	\$ -	\$ 12	\$ 1,033	\$ 811	
Education Programs	237	9	-	105	351	400	
Administration	218	2	1	36	257	239	
Cultural Diversity Institute	-	-	-	-	-	66	
Fathers of Confederation	-	-	-	-	-	51	
	<u>\$ 1,469</u>	<u>\$ 18</u>	<u>\$ 1</u>	<u>\$ 153</u>	<u>\$ 1,641</u>	<u>\$ 1,567</u>	2004

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

^(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.

^(c) Costs shown for Legal Services on Schedule 2, allocated by estimated costs incurred by each program.

^(d) Costs shown for Other Services on Schedule 2, allocated by estimated costs incurred by each program.

