

# THE ALBERTA GOVERNMENT TELEPHONES COMMISSION

Financial Statements  
YEAR ENDED DECEMBER 31, 2004

Auditor's Report	304
Balance Sheet	305
Statement of Revenue, Expense and Retained Earnings	306
Notes to the Financial Statements	307



## AUDITOR'S REPORT

### **To the Member of The Alberta Government Telephones Commission**

I have audited the balance sheet of The Alberta Government Telephones Commission as at December 31, 2004 and the statement of revenue, expense and retained earnings for the year then ended. These financial statements are the responsibility of the Commission'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 Commission as at December 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.

Edmonton, Alberta  
May 20, 2005

*[Original Signed]*  
Fred J. Dunn, FCA  
Auditor General

## THE ALBERTA GOVERNMENT TELEPHONES COMMISSION

## BALANCE SHEET

As at December 31, 2004 (*thousands*)

	2004	2003
<b>ASSETS</b>		
Cash and temporary investments (Note 3)	\$ -	\$ 45,850
<b>LIABILITIES AND EQUITY</b>		
Accounts payable and accrued liabilities	\$ -	\$ 80
Due to the Province of Alberta (Note 4)	-	45,770
Retained earnings	-	45,850
	\$ -	\$ 45,850

*The accompanying notes are part of these financial statements.*

On behalf of the Commission:

Rod Matheson, Chairman and Sole Commission Member

## THE ALBERTA GOVERNMENT TELEPHONES COMMISSION

## STATEMENT OF REVENUE, EXPENSE AND RETAINED EARNINGS

Year Ended December 31, 2004 (*thousands*)

	Budget	2004 Actual	2003 Actual
<b>Revenue</b>			
Interest on deposits	\$ -	\$ 297	\$ 983
Foreign exchange gain on income taxes	-	-	3,120
	-	297	4,103
<b>Expense</b>			
Foreign exchange loss on notes	-	-	5,415
Interest and other	-	-	62
	-	-	5,477
<b>Gain on valuation adjustment (Note 2(c))</b>	-	-	20,818
<b>Excess of revenue over expense for the year</b>	-	297	19,444
<b>Retained earnings at beginning of year</b>	-	-	-
<b>Transfer to the Province of Alberta</b>	-	(297)	(19,444)
<b>Retained earnings at end of year</b>	\$ -	\$ -	\$ -

## THE ALBERTA GOVERNMENT TELEPHONES COMMISSION

**NOTES TO THE FINANCIAL STATEMENTS**

Year Ended December 31, 2004

**NOTE 1 AUTHORITY**

The Alberta Government Telephones Commission (the Commission) operates under the authority of the *Telecommunications Act*, Chapter T-3.5, Statutes of Alberta 1988, as amended.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Financial Statement Presentation**

A cash flow statement is not provided due to the limited nature of the Commission's operations. All information about the Commission's cash flows is contained within the financial statements.

**(b) Valuation of Assets and Liabilities**

Due to the short-term nature of cash and cash equivalents, interest and accounts receivable, and accounts payable and accrued liabilities, the carrying value approximates fair value.

**(c) Foreign Currency**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the balance sheet date. Foreign currency transactions are translated at the average exchange rate prevailing during the year.

**NOTE 3 CASH AND TEMPORARY INVESTMENTS***(thousands)*

	2004	2003
Bank deposits	\$ -	\$ 135
CCITF account	-	45,715
	<u>\$ -</u>	<u>\$ 45,850</u>

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate 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 three years.

## THE ALBERTA GOVERNMENT TELEPHONES COMMISSION

**NOTE 4 DUE TO THE PROVINCE OF ALBERTA***(thousands)*

	2004	2003
Balance at beginning of year	\$ 45,770	\$ 26,326
Excess of revenue over expense of the Commission	297	19,444
Funds repaid during the year	(46,067)	-
Balance at end of year	<u>\$ -</u>	<u>\$ 45,770</u>

Pursuant to section 15 of the *Telecommunications Act*, the amount due to the Province of Alberta can be paid, with the approval of the Lieutenant Governor in Council, with money that the Commission determines to be surplus. O.C. 70/2004 dated February 25, 2004, authorized the transfer.

During 2004, the Commission transferred its remaining assets to the province with the approval of the Lieutenant Governor in Council and now has no assets or liabilities. Accordingly, the Commission is being wound up, see Note 8.

**NOTE 5 FEES AND BENEFITS**

The Commission did not pay any fees or benefits to the Sole Commission Member. The Commission has no employees.

**NOTE 6 BUDGET**

The 2004 budget was published in the 2004-05 Government and Lottery Fund Estimates at page 159.

**NOTE 7 RELATED PARTY TRANSACTIONS**

Other than interest earned from the Consolidated Cash Investment Trust Fund, there were no other related party transactions during the year.

**NOTE 8 FUTURE OPERATIONS**

All the remaining assets of the Commission have been transferred to the Province of Alberta and the Commission will be wound up through an Act of the Legislature.