

# **The Government House Foundation**

---

Financial Statements

March 31, 2009

**The Government House Foundation  
Financial Statements  
March 31, 2009**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Related Party Transactions

Schedule 3 – Allocated Costs



## Auditor's Report

To the Directors of The Government House Foundation and the Minister of Culture and Community Spirit:

I have audited the statement of financial position of The Government House Foundation as at March 31, 2009 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Foundation'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 Foundation as at March 31, 2009 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  
June 10, 2009

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

**The Government House Foundation  
Statement of Operations  
For the Year ended March 31, 2009**

	2009		2008
	Budget	Actual	Actual
Revenues			
Internal Government Transfers			
Transfers from the Alberta Historical Resources Foundation	\$ 50,000	\$ 50,000	\$ 25,000
Investment Income	5,000	2,810	3,825
Premiums, Fees and Licences	5,000	5,030	6,632
Donations of Artworks	-	4,100	-
	<u>60,000</u>	<u>61,940</u>	<u>35,457</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3)			
Public Relations	31,000	20,007	25,652
Administration	12,000	19,660	24,748
Conservation of Collections	3,000	7,992	-
Collection Acquisitions	35,000	4,100	-
	<u>81,000</u>	<u>51,759</u>	<u>50,400</u>
Net Operating Results	<u>\$ (21,000)</u>	10,181	(14,943)
Fund Balance, Beginning of Year		<u>66,228</u>	<u>81,171</u>
Fund Balance, End of Year		<u>\$ 76,409</u>	<u>\$ 66,228</u>

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

**The Government House Foundation  
Statement of Financial Position  
As at March 31, 2009**

	2009	2008
Financial Assets		
Cash (Note 3)	\$ 77,933	\$ 67,078
Accounts Receivable	26	-
	\$ 77,959	\$ 67,078
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 1,550	\$ 850
Fund Balance	76,409	66,228
	\$ 77,959	\$ 67,078

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

**The Government House Foundation  
Statement of Cash Flows  
For the Year ended March 31, 2009**

	2009	2008
Operating Transactions		
Net Operating Results	\$ 10,181	\$ (14,943)
(Increase) Decrease in Accounts Receivable	(26)	20
Increase in Accounts Payable and Accrued Liabilities	700	100
Cash Provided by (Applied to) Operating Transactions	10,855	(14,823)
Cash, Beginning of Year	67,078	81,901
Cash, End of Year	\$ 77,933	\$ 67,078

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

**The Government House Foundation  
Notes to the Financial Statements  
For the Year ended March 31, 2009**

**Note 1 Authority and Purpose**

The Government House Foundation (Foundation) operates under the authority of the *Government House Act*, Chapter G-9, Revised Statutes of Alberta 2000.

The purpose of the Foundation is:

- To advise the Minister on the preservation of Government House as a historic site and building;
- To inform and stimulate the interest of the public in the historical and architectural development of Government House; and
- To solicit and receive by gift, bequest, devise, transfer or otherwise, any personal property for use or display in Government House.

The Foundation is a Crown agent of the Government of Alberta and as such has a tax exempt status.

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

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

**(a) Reporting Entity**

The reporting entity is the Government House Foundation, which is part of the Ministry of Culture and Community Spirit (Ministry) and for which the Minister of Culture and Community Spirit (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 basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

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.

**The Government House Foundation  
Notes to the Financial Statements  
For the Year ended March 31, 2009**

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

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

**Revenues (continued)**

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.

**Expenses**

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Foundation's operations are disclosed in Schedule 3.

**Assets**

Financial assets of the Foundation are limited to cash and accounts receivable from other organizations.

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value. Proceeds from the disposition of artworks can only be used to acquire other items to be added to the collection or for the direct care of existing artworks.

**Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

**The Government House Foundation  
Notes to the Financial Statements  
For the Year ended March 31, 2009**

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

**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 and accounts payable and accrued liabilities are estimated to approximate their carrying value because of the short-term nature of these instruments.

**Note 3 Cash**

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF 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. As at March 31, 2009, securities held by the Fund have a time-weighted return of 3.0% (2008 – 4.5%) per annum.

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

**Note 4 Artworks and Collections**

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. The collection is insured.

At March 31, 2009, the collection consisted of approximately 398 (2008 – 392) pieces of artworks and other items, with an approximate value of \$985,000 (2008 – \$981,000). During the year, the Foundation made no artwork purchases (2008 – Nil). Contributions to the collection included 6 artifacts with an appraised value of \$4,100 (2008 – Nil) and there were no dispositions during the year (2008 – Nil).

**Note 5 Contractual Obligations**

At March 31, 2009, the Foundation had commitments in the amount of approximately \$11,498 (2008 – \$8,731) relating to service contracts. These service contracts are payable in 2010.

**Note 6 Approval of Financial Statements**

The financial statements were approved by the Board of Directors.

**The Government House Foundation**  
**Expenses – Directly Incurred Detailed by Object**  
**Year ended March 31, 2009**

	2009		2008
	Budget	Actual	Actual
Supplies and Services			
General Office	\$ 14,000	\$ 24,552	\$ 10,665
Contracted Services	24,000	18,360	31,064
Hosting	5,000	4,747	5,824
Materials and Supplies	38,000	4,100	2,847
	<u>\$ 81,000</u>	<u>\$ 51,759</u>	<u>\$ 50,400</u>

**The Government House Foundation  
Related Party Transactions  
Year ended March 31, 2009**

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements.

The Foundation 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 Foundation 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 the related parties.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues				
Transfers from the Alberta Historical Resources Foundation	<u>\$ 50,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Other Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,599</u>	<u>\$ 1,935</u>

The Foundation 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 but are disclosed in Schedule 3.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Expenses – Incurred by Others				
Other Services	<u>\$ 11,310</u>	<u>\$ 8,787</u>	<u>\$ -</u>	<u>\$ -</u>
Accommodation Costs	<u>-</u>	<u>-</u>	<u>2,622</u>	<u>2,623</u>
	<u>\$ 11,310</u>	<u>\$ 8,787</u>	<u>\$ 2,622</u>	<u>\$ 2,623</u>

**The Government House Foundation**  
**Allocated Costs**  
**Year ended March 31, 2009**

Program	2009			2008	
	Expenses – Incurred by Others				
	Expenses <sup>(a)</sup>	Other Services <sup>(b)</sup>	Accommodation Costs <sup>(c)</sup>	Total Expenses	Total Expenses
Public Relations	\$ 20,007	\$ 4,372	\$ 1,013	\$ 25,392	\$ 31,459
Administration	19,660	4,296	996	24,952	30,351
Conservation of Collections	7,992	1,746	405	10,143	-
Collection Acquisitions	4,100	896	208	5,204	-
	<u>\$ 51,759</u>	<u>\$ 11,310</u>	<u>\$ 2,622</u>	<u>\$ 65,691</u>	<u>\$ 61,810</u>

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations.

<sup>(b)</sup> The Department of Culture and Community Spirit provided financial and administrative services. Costs shown for Other Services on Schedule 2, allocated by estimated costs incurred by each program.

<sup>(c)</sup> The Department of Infrastructure provided accommodations. Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.