

Human Rights Education and Multiculturalism Fund

Financial Statements

March 31, 2011

**Human Rights Education and Multiculturalism Fund
Financial Statements
March 31, 2011**

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Independent Auditor's Report



To the Minister of Culture and Community Spirit

Report on the Financial Statements

I have audited the accompanying financial statements of the Human Rights Education and Multiculturalism Fund, which comprise the statement of financial position as at March 31, 2011, and the statement of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Human Rights Education and Multiculturalism Fund, as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]

Auditor General

May 27, 2011

Edmonton, Alberta

Human Rights Education and Multiculturalism Fund
Statement of Operations
Year ended March 31, 2011

	2011		2010
	Budget	Actual (in thousands)	Actual
Revenues			
Internal Government Transfers			
Transfers from the Department of Culture and Community Spirit	\$ 1,725	\$ 1,725	\$ 2,025
Transfers from the Alberta Heritage Scholarship Fund	70	50	49
Investment Income	63	43	36
Premiums, Fees and Licences	35	75	66
Other Revenue	25	-	-
	<u>1,918</u>	<u>1,893</u>	<u>2,176</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3)			
Support to Community Groups	1,138	1,294	1,612
Education Programs	655	523	489
Queen’s Golden Jubilee Awards and Medals Administration	70	50	49
	55	42	43
	<u>1,918</u>	<u>1,909</u>	<u>2,193</u>
Net Operating Results	<u>\$ -</u>	<u>(16)</u>	<u>(17)</u>
Operating Fund Balance at Beginning of Year		<u>1,663</u>	<u>1,680</u>
Operating Fund Balance at End of Year		<u>\$ 1,647</u>	<u>\$ 1,663</u>

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

Human Rights Education and Multiculturalism Fund
Statement of Financial Position
As at March 31, 2011

	2011	2010
	(in thousands)	
Financial Assets		
Cash (Note 3)	\$ 1,659	\$ 1,825
Accounts Receivable (Note 4)	1	-
	1,660	1,825
Cash Appropriated for Non-Current Use (Notes 3 and 5)	1,450	1,450
Prepaid Expenses	5	-
	\$ 3,115	\$ 3,275
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 18	\$ 162
Fund Balances		
Operating	1,647	1,663
General Reserve – Restricted (Note 5)	1,450	1,450
	3,097	3,113
	\$ 3,115	\$ 3,275
Contractual obligations (Note 6)		

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

Human Rights Education and Multiculturalism Fund
Statement of Cash Flows
Year ended March 31, 2011

	2011	2010
	(in thousands)	
Operating Transactions		
Net Operating Results	\$ (16)	\$ (17)
(Increase) Decrease in Accounts Receivable	(1)	3
(Increase) in Prepaid Expenses	(5)	-
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(144)	134
(Decrease) in Unearned Revenue	-	(1)
	(166)	119
Cash (Applied to) Provided by Operating Transactions		
Cash at Beginning of Year	1,825	1,706
Cash at End of Year	\$ 1,659	\$ 1,825

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

Human Rights Education and Multiculturalism Fund
Notes to the Financial Statements
Year ended March 31, 2011

Note 1 Authority and Purpose

The Human Rights Education and Multiculturalism Fund (Fund) operates under the authority of the *Alberta Human Rights Act*, Chapter A-25.5, 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 *Alberta Human Rights Act*.

The Fund is owned by the Crown in right 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 public sector accounting standards.

(a) Reporting Entity

The reporting entity is the Human Rights Education and Multiculturalism Fund, 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 are recognized as revenues when they are 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.

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. Internal government transfers are recognized as revenue when received.

Human Rights Education and Multiculturalism Fund
Notes to the Financial Statements
Year ended March 31, 2011

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's operations are not recognized and are disclosed in Schedule 2 and allocated to programs in Schedule 3.

Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Fund are limited to cash and financial claims such as accounts receivable from other organizations.

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 the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

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 values because of the short-term nature of these instruments.

Human Rights Education and Multiculturalism Fund
Notes to the Financial Statements
Year ended March 31, 2011

Note 3 Cash and Cash Appropriated for Non-Current Use

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, 2011, securities held by CCITF have a time weighted return of 1.1% (2010 – 1.0%) per annum.

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

Note 4 Accounts Receivable
(in thousands)

	2011		2010	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1	\$ -	\$ 1	\$ -

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.

Human Rights Education and Multiculturalism Fund
Notes to the Financial Statements
Year ended March 31, 2011

Note 6 Contractual Obligations
(in thousands)

Contractual obligations are obligations of the Fund to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2011	2010
Grant Agreements	\$ 369	\$ 457
Service Contracts	110	120
	\$ 479	\$ 577

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

	Grant Agreements	Service Contracts	Total
2012	\$ 348	\$ 110	\$ 458
2013	21	-	21
	\$ 369	\$ 110	\$ 479

Human Rights Education and Multiculturalism Fund
Notes to the Financial Statements
Year ended March 31, 2011

Note 7 **Honoraria**
(in thousands)

	2011		2010	
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Advisory Committee Other Members ^(c)	\$ 9	\$ -	\$ 9	\$ 11

^(a) The Fund has no employees. Staff of the Department of Culture and Community Spirit administers the Fund. Disclosure of information on their salaries and benefits, a requirement under Treasury Board Directive 12/98 as amended, is included in the financial statements of the Department of Culture and Community Spirit.

^(b) No benefits were provided to the Advisory Committee members.

^(c) 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.

Human Rights Education and Multiculturalism Fund
Schedule to Financial Statements
Expenses – Directly Incurred Detailed by Object
Year ended March 31, 2011

	2011		2010
	Budget	Actual (in thousands)	Actual
Grants	\$ 990	\$ 1,070	\$ 1,404
Supplies and Services from Support Service Arrangements with Related Parties ^(a)	625	625	625
Supplies and Services	295	205	153
Honoraria (Note 7)	8	9	11
	\$ 1,918	\$ 1,909	\$ 2,193

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

Human Rights Education and Multiculturalism Fund
Schedule to Financial Statements
Related Party Transactions
Year ended March 31, 2011
(in thousands)

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

The Fund paid or collected certain taxes and fees set by regulation for premiums, 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 on 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	
	2011	2010	2011	2010
Revenues				
Transfers from the Department of Culture and Community Spirit	\$ 1,725	\$ 2,025	\$ -	\$ -
Transfers from the Alberta Heritage Scholarship Fund	-	-	50	49
	<u>\$ 1,725</u>	<u>\$ 2,025</u>	<u>\$ 50</u>	<u>\$ 49</u>
Expenses – Directly Incurred				
Grants	\$ -	\$ -	\$ -	\$ 50
Payable to	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 5</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 but are disclosed in Schedule 3.

	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
Expenses – Incurred by Others				
Other Services	\$ 203	\$ 202	\$ -	\$ -
Accommodation	-	-	65	65
	<u>\$ 203</u>	<u>\$ 202</u>	<u>\$ 65</u>	<u>\$ 65</u>

Human Rights Education and Multiculturalism Fund
Schedule to Financial Statements
Allocated Costs
Year ended March 31, 2011
(in thousands)

Program	2011				2010
	Expenses (a)	Other Services (b)	Accommodation (c)	Total Expenses	Total Expenses
Support to Community Groups	\$ 1,294	\$ 68	\$ 22	\$ 1,384	\$ 1,715
Education Programs	523	83	31	637	600
Queen's Golden Jubilee Awards and Medals	50	5	-	55	54
Administration	42	47	12	101	91
	<u>\$ 1,909</u>	<u>\$ 203</u>	<u>\$ 65</u>	<u>\$ 2,177</u>	<u>\$ 2,460</u>

Expenses – Incurred by Others

- (a) Expenses – Directly Incurred as per Statement of Operations.
- (b) 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.
- (c) The Department of Infrastructure provided accommodations. Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.