
Legislative Assembly Office

Financial Statements — As at March 31, 2000

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Auditor's Report

To the Speaker of the Legislative Assembly of Alberta:

I have audited the statement of financial position of the Office of the Legislative Assembly at March 31, 2000 and the statements of changes in net liabilities, operations and cash flows for the year then ended. These financial statements are the responsibility of the Office'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 Office as at March 31, 2000 and the results of its operations and the changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

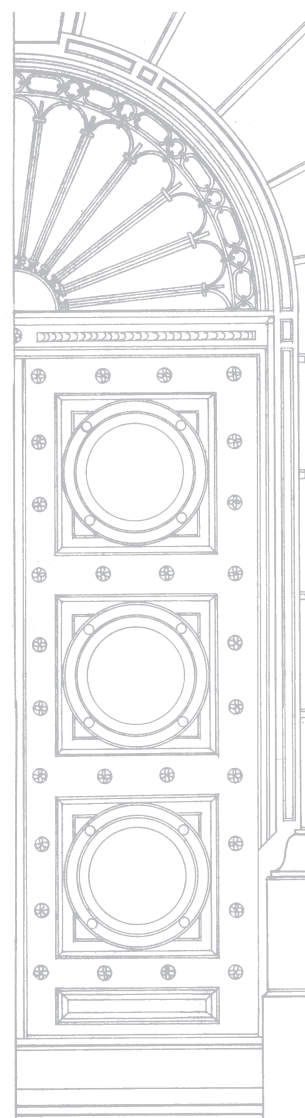
Peter Valentine FCA
Auditor General

Edmonton, Alberta
March 26, 2001

Statement of Financial Position – As at March 31, 2000

Assets	2000	1999
Current assets:		
Cash	\$ 6,169	\$ 2,200
Accounts receivable and advances (Note 4)	306,004	325,020
Inventory held for sale	231,512	228,686
	543,685	555,906
Capital assets (Note 5)	589,913	563,880
	\$ 1,133,598	\$ 1,119,786
Liabilities and Net Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (Note 6)	\$ 728,289	\$ 1,023,385
Members' transition allowance liability (Note 7)	5,353,277	4,482,752
Long-term disability insurance liability (Note 8)	–	14,197
Pension liability (Note 9)	–	622,580
Vacation pay liability (Note 10)	632,682	589,637
	5,985,959	5,709,166
Net liabilities	(5,580,650)	(5,612,765)
	\$ 1,133,598	\$ 1,119,786

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





Statement of Changes in Net Liabilities –
Year Ended March 31, 2000

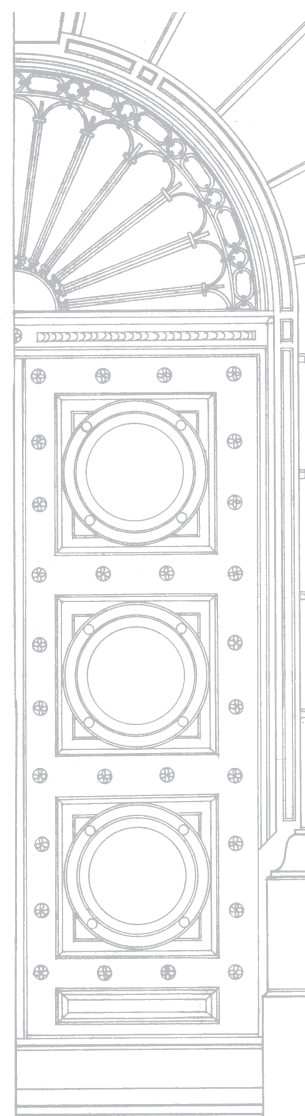
	2000	1999
Net liabilities at beginning of year	\$ (5,612,765)	\$ (2,870,839)
Net operating results	(22,735,203)	(22,305,750)
Net transfer from general revenues	22,767,318	19,563,824
Net liabilities at end of year	\$ (5,580,650)	\$ (5,612,765)

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

Statement of Operations – Year Ended March 31, 2000

	2000		1999
	Budget	Actual	Actual
Revenues:			
Gift shop sales, services and fees	\$ 136,300	\$ 165,484	\$ 147,807
Contribution from Alberta Public Works, Supply and Services for accommodation provided at no charge	–	505,328	384,286
	\$ 136,300	670,812	532,093
Expenses:			
Voted:			
Financial management and administrative services	403,435	393,412	357,973
Government Members' services	1,957,648	1,495,957	1,451,344
House services	1,286,387	1,257,462	1,185,648
Human resources services	474,523	475,027	421,901
Independent Member's services	–	15,747	4,995
Information systems	995,489	1,214,984	1,045,558
Legislative committees	175,295	108,379	131,335
Legislature Library	1,011,064	1,000,905	885,856
MLA administration	14,080,452	12,942,114	12,445,348
New Democrat Opposition services	240,293	244,114	235,600
Office of the Speaker	293,106	291,651	284,202
Official Opposition services	1,107,158	1,098,153	1,093,814
Public Information Branch	1,521,170	1,478,071	1,357,322
	\$23,546,020	22,015,976	20,900,896
Valuation adjustments			
Accommodation costs		505,328	384,286
Capitalization of assets expensed as supplies		(462,502)	(600,591)
Amortization of capital assets (Note 3 (b))		436,469	395,304
Provision for Members' transitional allowance liability		870,525	1,760,069
(Reduction in) long-term disability insurance liability (Note 8)		–	(4,003)
Provision for pension liability (Note 9)		–	19,580
Provision for vacation pay liability		43,045	–
Inventory		(2,826)	(17,698)
		1,390,039	1,936,947
		23,406,015	22,837,843
Net operating results		\$(22,735,203)	\$(22,305,750)

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





Statement of Cash Flows – Year Ended March 31, 2000

	2000	1999
Operating transactions:		
Net operating results	\$ (22,735,203)	\$ (22,305,750)
Add non-cash charges		
Amortization of capital assets	436,469	395,304
Funds provided to operations	(22,298,734)	(21,910,446)
Increase (decrease) in non-cash working capital:		
(Decrease) increase in accounts payable and accrued liabilities	(295,096)	236,369
Decrease in accounts receivable & advances	19,016	363,909
(Increase) in inventory	(2,826)	(17,698)
	(278,906)	(582,580)
Cash used by operating transactions	(22,577,640)	(21,327,866)
Investing transactions:		
Acquisition of capital assets	(462,502)	(600,591)
Financing transactions:		
(Decrease) in long-term disability insurance liability	(14,197)	(4,003)
(Decrease) increase in pension liability	(622,580)	19,580
Increase in transitional allowance	870,525	1,760,069
Increase in vacation pay liability	43,045	589,637
	276,793	2,365,283
Net transfer from general revenues	22,767,318	19,563,824
Net cash provided (used)	3,969 650	
Cash, beginning of year	2,200	1,550
Cash, end of year	\$ 6,169	\$ 2,200

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

Notes to the Financial Statements – Year Ended March 31, 2000

Note 1 Authority

The Legislative Assembly Office (the Office) is operated under the authority of the Legislative Assembly Act. Annual operating budgets are approved by the Special Standing Committee on Members' Services.

Note 2 Purpose

Within the traditions of parliamentary democracy as constitutionally established in Alberta, the Legislative Assembly:

- 1 Supports the Speaker of the Legislative Assembly in carrying out the duties of the office.
- 2 Supports Members in carrying out their roles as elected representatives of the people of Alberta.
- 3 Records the proceedings and maintains the records of the Legislative Assembly.
- 4 Informs and educates the public on behalf of Members and institution of parliament.
- 5 Supports the Assembly in protecting its institutions and privileges.
- 6 Supports the exchange of information and ideas among legislatures.
- 7 Supports the officers of the Legislature as required.

Note 3 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies:

a) Reporting Entity

The reporting entity is the Legislative Assembly Office, for which the Clerk of the Legislative Assembly is responsible.

The Office operates within the General Revenue Fund (the Fund). The Fund is administrated by the Provincial Treasurer. All receipts of the Office are deposited into the Fund and all disbursements made by the Office are paid from the Fund. The net transfer from the General Revenues is the difference between all cash receipts and all cash disbursements made.

b) Basis of Financial Reporting

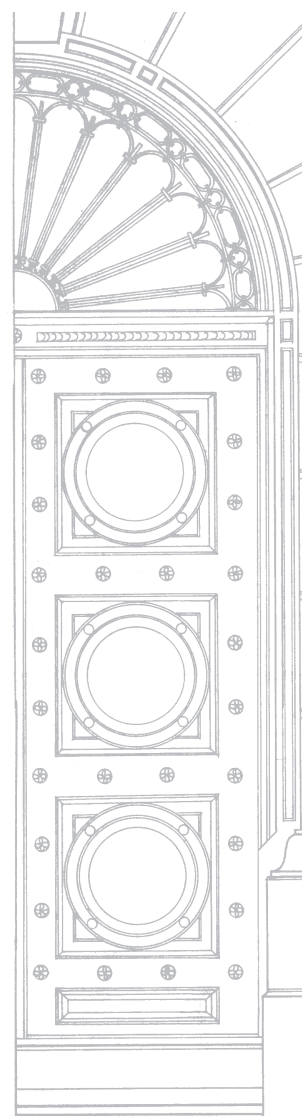
Revenues

All revenues are reported on the accrual basis of accounting.

Expenses

Expenses represent the costs of resources consumed during the year on the Office's operations.

Pension expense included as part of the employer's share of employee benefits, or as a valuation adjustment





to record the change in pension liability, comprises:

- (i) the cost of pension benefits earned by employees during the year;
- (ii) interest on the Office's share of the unfunded pension liability;
- (iii) amortization of deferred adjustments over the expected average remaining service life of employees;
- (iv) adjustments to the pension obligation in the event that there is reasonable assurance that a gain or loss has been realized; and
- (v) the effect of the change in the ratio used to allocate the plan's total unfunded liability to participating entities.

Valuation Adjustments

Valuation adjustments include changes in the valuation allowances used to reflect financial assets and liabilities at their net recoverable or other appropriate value.

Assets

Financial assets of the Office are limited to financial claims such as advances to and receivables from other organizations, employers and other individuals.

Inventory held for sale is reported at the lower of cost and net realizable value.

Amortization is calculated on a straight-line basis, over the estimated

useful lives of the assets, invoiced at \$2,500 or greater, as follows:

Computer hardware and software	3 years
Office equipment	5 years
Furniture	10 years

The Office follows government budgetary practices that allow funds from an operating budget to be used to purchase capital assets. These purchases are included in expenses on the statement of operations, but are then removed from expenses through a valuation adjustment and are capitalized and amortized over their useful lives.

Liabilities

Liabilities include all financial claims payable by the Office at fiscal year end, including long-term disability benefits and certain pension benefits.

The Members' Transition Allowance is estimated based on Members' years of service and their most recent indemnity and expense allowance amounts. The annual charge is the amount that is estimated to have been earned by Members during the year.

Net Liabilities

Net liabilities represent the difference between the value of assets held by the Office and its liabilities.

Note 4

Accounts Receivable and Advances

The fair value of accounts receivable and advances are estimated to approximate their book values.

Note 5 Capital Assets

2000				1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office equipment	\$ 10,984	\$ 3,753	\$ 7,231	\$ 6,227
Furniture	\$ 224,238	\$ 33,806	\$ 190,432	\$ 102,433
Computer hardware and software	\$ 1,665,548	\$ 1,273,298	\$ 392,250	\$ 455,220
	\$ 1,900,770	\$ 1,310,857	\$ 589,913	\$ 563,880

*Note 6**Accounts Payable and Accrued Liabilities*

The fair values of accounts payable and accrued liabilities are estimated to approximate their book values.

Note 7 Members Transitional Allowance

The Office implemented a Members' Transition Allowance on October 1, 1998. The provisions of the allowance were established in accordance with Members Allowances Order (RMSC 1992, c.M-1, as amended, Section 9).

A transition allowance is paid to every Member at the time of dissolution of the Legislature, unless they are re-elected in the next election. Members who resign their seats are also eligible for the allowance.

The allowance is calculated by multiplying the highest rate of a Member's monthly indemnity and expense allowances by one month for every year of service prior to March 20, 1989, and two months for every year of service from March 20, 1989, up to a maximum of 12 years. The most recent

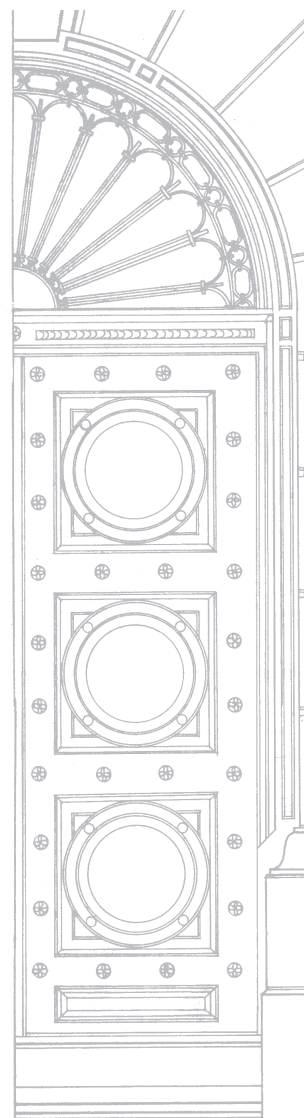
years of service are counted first, and there is no credit for years of service where the Member has previously received a payment under Section 9 or the predecessor Section. Eligible recipients may elect to be paid the allowance over a period of up to four years.

*Note 8**Long-Term Disability Insurance Liability*

The Office participates with Government of Alberta ministries in long-term disability insurance. The Office's portion of this liability is based on the Office's percentage of the total salaries of all government entities in the plan.

Note 9 Pension Liability

The Office participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Office also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers established by





the government effective July 1, 1999. The expense for these pension plans is equivalent to the annual contributions of \$264,080 for the year ending March 31, 2000 (1999 - \$252,881).

Effective January 1, 1999 the Office's contribution to the Public Service Pension Plan was reduced by 0.3% of pensionable salaries.

At December 31, 1999 the Management Employees Pension Plan reported a surplus of \$46,019,000 (1998 - \$4,355,000) and the Public Service Pension Plan reported a surplus of \$517,020,000 (1998 - \$406,445,000). At December 31, 1999, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$33,000.

Note 10 Budget

Expenses:

1999-2000 budget ^(a) \$ 23,546,020

1999-2000 actual expenses
(excluding valuation adjustments) (22,015,976)

1999-2000 unexpended
(excluding valuation adjustments) \$ 1,530,044

^(a) Legislative Assembly Estimates released on March 11, 1999.

Note 11 Related Party Transactions

The Office is responsible for paying the remuneration of Members of the Legislative Assembly. A portion of the remuneration relates to allowances for

service as a Minister of a government ministry or on a committee that a particular ministry is responsible for. In 2000, accounts receivable and advances include \$142,698 (1999 - \$123,017) of recoveries from the appropriate Government of Alberta ministries as these payments are not expenses of the Office.

The contribution from Alberta Infrastructure for accommodation provided at no charge to the Office in 2000 is \$505,328 (1999 - \$384,286).

Note 12

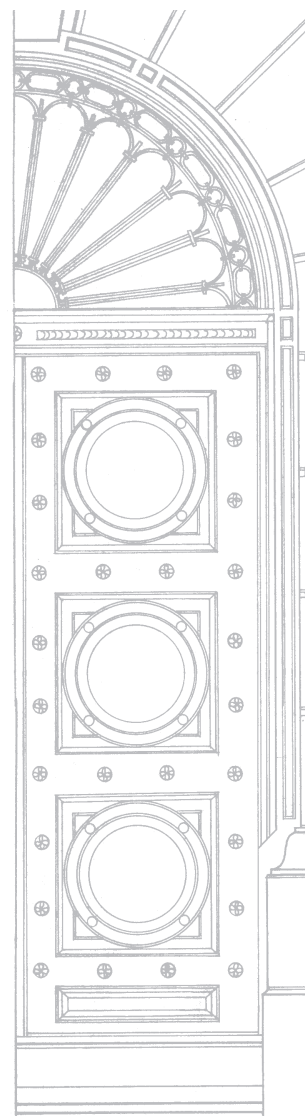
Approval of Financial Statements

These financial statements were approved by the Clerk of the Legislative Assembly.

Schedule 1

Expenses Detailed by Object – Year Ended March 31, 2000

		2000	1999
	Budget	Actual	Actual
Expenses:			
Salaries, wages and employer contributions			
Legislative Assembly Office staff (Schedule 2)	–	\$ 4,122,962	\$ 3,768,563
constituency office, caucus, and other staff	–	4,937,213	4,746,833
	6,915,530	9,060,175	8,515,396
Supplies and services	9,483,493	6,540,670	6,335,332
Grants	5,960	5,100	1,700
Payments to MLAs and Executive Council	7,141,037	6,410,031	6,048,468
Total expenses	\$ 23,546,020	\$ 22,015,976	\$ 20,900,896





Schedule 2

Salary and Benefits Disclosure – Year Ended March 31, 2000

	2000			1999
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Senior official				
Clerk of the Legislative Assembly ⁽³⁾	\$ 123,099 ⁽⁴⁾	25,190	\$ 148,289	\$ 126,121
Senior Management Team				
Senior Financial Officer	81,390 ⁽⁴⁾	13,259	94,649	93,709
Senior Parliamentary Counsel	78,808 ⁽⁴⁾	12,623	91,431	91,373
Parliamentary Counsel	71,784	12,561	84,345	78,122
Director, Public Information Branch	66,820	11,900	78,720	78,205
Director, Human Resource Services	68,264 ⁽⁴⁾	11,791	80,055	79,522
Legislature Librarian	—	—	—	16,910 ⁽⁶⁾
Legislature Librarian	64,800	11,257	76,057	42,285 ⁽⁷⁾
Assistant Legislature Librarian	62,079 ⁽⁴⁾	11,157	73,236	74,088
Clerk Assistant	65,262 ⁽⁴⁾	11,455	76,717	76,281
Sergeant-At-Arms	58,625	10,950	69,575	69,326
Manager, Financial Management and Administrative Services	49,845	9,035	58,880	58,934
Other managers	98,979 ⁽⁴⁾	16,751	115,730	86,350
Manager Sub-total	766,656	132,739	899,395	845,105
Other salaried staff	2,076,445	314,380	2,390,825	2,132,394
Non-salaried staff ⁽⁵⁾	640,995	43,458	684,453	664,943
	\$ 3,607,195	\$ 515,767	\$ 4,122,962	\$ 3,768,563

(1) Salary includes regular base pay, bonuses, overtime, lump sum payments and any other direct cash remuneration.

(2) The Legislative Assembly Office's share of all employee benefits and contributions made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans.

(3) Automobile is provided, no dollar amount included in benefits and allowances figures.

(4) Includes vacation payout.

(5) Non-salaried staff includes all wage staff and others remunerated on an hourly basis with the exception of salaries and benefits paid under the STEP program.

(6) Represents partial year due to retirement (1999).

(7) Represents partial year due to new hire (1999).