

**Crown Corporations Council**  
*A Manitoba Crown Corporation*

**Fourth Quarter Report 2005**

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# **Crown Corporations Council**

*Fourth Quarter Report  
For the Three Months Ended December 31,  
2005*

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May 31, 2006

The Honourable Gregory Selinger  
Minister responsible for  
Crown Corporations Council  
103 Legislative Building  
WINNIPEG, Manitoba  
R3C OV8

Dear Minister:

The Council is required under the Crown Corporations Public Review and Accountability Act to provide a quarterly report. Enclosed is the Report for the three months ended December 31, 2005.

Yours truly,

ORIGINAL SIGNED BY

Raymond Poirier  
Chair

### **Activities of the Council During the Quarter**

Council reviewed a status report on performance measurement and reporting in the Crown corporations under Council's purview. There have been no major developments in best practices in this subject area. Council will continue monitoring and maintenance regarding this duty and further substantial work in this area does not appear necessary.

Staff reports were completed on Manitoba Hydro, Manitoba Lotteries Corporation, Manitoba Centennial Centre Corporation and Manitoba Liquor Control Commission. Reports highlighted areas of interest that included infrastructure management, strategic planning, performance measurement and risk management. Risks have not materially changed since our previous reports.

### **Submissions to Council**

During the reporting period, no submissions were made to Council.

**Crown Corporations Council**  
*Fourth Quarter Report 2005*

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**Overview**

**Crown Corporations Council**  
**Financial Statements**  
**For the Year Ended December 31, 2005 (unaudited)**

Operating expenses are recovered from the Crown corporations through assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred.

Expenses for the year ended December 31, 2005 increased by \$8 thousand compared to the same period last year. The increase is primarily attributable to higher expenses for rent and depreciation.

**Balance Sheet**  
**(unaudited)**

	December 31	
	2005	2004
	(thousands of dollars)	
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 300	\$ 384
Accounts receivable	6	6
	<u>306</u>	<u>390</u>
<b>Capital assets (note 2)</b>	20	35
	<u>\$ 326</u>	<u>\$ 425</u>
<b>Liabilities and Reserve Reflecting Net Investment in Capital Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 79	\$ 71
Levies received in advance	52	140
Due to Manitoba Crown corporations	53	76
	<u>184</u>	<u>287</u>
<b>Retirement allowances and other benefits payable (note 3)</b>	122	103
	<u>306</u>	<u>390</u>
<b>Reserve reflecting net investment in capital assets</b>	20	35
	<u>\$ 326</u>	<u>\$ 425</u>

**Statement of Income and Reserve  
Reflecting Net Investment in Capital Assets  
(unaudited)**

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	Year Ended December 31	
	2005	2004
	(thousands of dollars)	
<b>Income</b>		
Recoveries from corporations through levies	\$ 673	\$ 711
Interest	6	5
	<u>679</u>	<u>716</u>
<b>Expenses</b>	<u>694</u>	<u>686</u>
<b>Excess (deficit) of income over expenses</b>	\$ (15)	\$ 30
<b>Reserve reflecting net investment in capital assets, beginning of period</b>	<u>35</u>	<u>5</u>
<b>Reserve reflecting net investment in capital assets, end of period</b>	<u><u>\$ 20</u></u>	<u><u>\$ 35</u></u>

**1. Recoveries of expenses from Crown corporations**

Operating expenses are recovered from the Crown corporations through the assessment of levies allocated on a pro rata basis determined by the revenues of each Crown corporation. The levies are recognized in these financial statements at the time the related costs are incurred. In addition, certain direct costs incurred on behalf of particular corporations are recovered directly from the respective Crown corporations.

**2. Capital assets**

These are comprised entirely of office furniture and equipment and computer equipment.

	<b>December 31</b>	
	<b>2005</b>	2004
	(in thousands of dollars)	
Cost		
Office furniture and equipment	<b>\$ 61</b>	\$ 61
Computer equipment	<u>46</u>	<u>46</u>
	<b><u>\$107</u></b>	<b><u>\$107</u></b>
Accumulated depreciation		
Office furniture and equipment	<b>\$ 58</b>	\$ 56
Computer equipment	<u>29</u>	<u>16</u>
	<b><u>\$ 87</u></b>	<b><u>\$ 72</u></b>
Net book value	<b><u>\$ 20</u></b>	<b><u>\$ 35</u></b>

**3. Retirement allowances and other employee future benefits**

The Council provides retirement allowance and pension benefits to its employees.

Retirement allowances are provided to certain qualifying employees. The benefits are provided under a final pay plan. The costs of benefits earned by employees are charged to expenses as services are rendered. The costs are actuarially determined using the projected benefit method and reflect management's best estimates of the length of service, salary increases and ages at which employees will retire. In addition, adjustments arising from plan amendment, changes in assumptions, and the actuarial present value of the accrued entitlement as at January 1, 2000 are being amortized to expenses on a straight line basis over the expected average remaining service life of the employee group. Actuarial gains and losses are recognized in income immediately.

In addition, one employee is entitled to enhanced pension benefits. The plan is based on final pay and is indexed. The cost of the benefits earned by the employee is charged to expenses as services are rendered. The cost is actuarially determined using the projected benefit method and reflects management's best estimate of salary increases and the age at which the employee will retire.

**4. Statement of cash flows**

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.