

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL
A Manitoba Crown Corporation

1130-444 St. Mary Ave.
Winnipeg, Manitoba R3C 3T1
www.crowncc.mb.ca

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

TABLE OF CONTENTS

Letter of Transmittal	1
Activities of the Council During the Quarter	2
Submissions to Council	2
Overview – Financial Statements	3
Financial Statements	4

Cette information existe également en français.

www.crowncc.mb.ca

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

LETTER OF TRANSMITTAL

March 27, 2007

The Honourable Greg Selinger
Minister responsible for
Crown Corporations Council
Province of Manitoba
103 Legislative Building
Winnipeg, Manitoba
R3C 0V8

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, 2006.

Yours truly,

ORIGINAL SIGNED BY
Raymond Poirier
Chair

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

ACTIVITIES OF THE COUNCIL DURING THE QUARTER

Staff reports were completed on Manitoba Hydro, Manitoba Lotteries Corporation, Manitoba Liquor Control Commission and Manitoba Centennial Centre Corporation. The reports highlighted areas of interest that included governance, strategies, risk management and financial results. Risks have not materially changed since our previous report.

Council conducted a strategic planning session in October with the Directors of the Board and Council staff. The purpose of the planning session was to clarify the role of the Council and develop the necessary strategies to address issues with regard to the ability to fulfil Council's role.

SUBMISSIONS TO COUNCIL

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

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

OVERVIEW – FINANCIAL STATEMENTS

OVERVIEW

CROWN CORPORATIONS COUNCIL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2006 (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 twelve month period were consistent with the same period last year.

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

FINANCIAL STATEMENTS

Balance Sheet (unaudited)

	December 31	
	2006	2005
	(thousands of dollars)	
Assets		
Current:		
Cash	\$ 439	\$ 300
Accounts receivable	<u>6</u>	<u>6</u>
	445	306
Capital assets (note 2)	6	20
	<u>\$ 451</u>	<u>\$ 326</u>
Liabilities and Reserve Reflecting Net Investment in Capital Assets		
Current:		
Accounts payable and accrued liabilities	\$ 91	\$ 79
Levies received in advance	109	52
Due to Manitoba Crown corporations	<u>96</u>	<u>53</u>
	296	184
Retirement allowances and other benefits payable	<u>149</u>	<u>122</u>
	445	306
Reserve reflecting net investment in capital assets	6	20
	<u>\$ 451</u>	<u>\$ 326</u>

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

FINANCIAL STATEMENTS

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

	Year Ended December 31	
	2006	2005
	(thousands of dollars)	
Income		
Recoveries from corporations through levies	\$ 694	\$ 673
Interest	<u>12</u>	<u>6</u>
	706	679
Expenses	<u>720</u>	<u>694</u>
Excess of expenses over income	\$ (14)	\$ (15)
Reserve reflecting net investment in capital assets, beginning of year	20	35
Reserve reflecting net investment in capital assets, end of year	<u>\$ 6</u>	<u>\$ 20</u>

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

FINANCIAL STATEMENTS

Notes to Financial Statements December 31, 2006 (unaudited)

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.

	December 31	
	2006	2005
	(in thousands of dollars)	
Cost		
Office furniture and equipment	\$ 61	\$ 61
Computer equipment	<u>46</u>	<u>46</u>
	<u>\$107</u>	<u>\$107</u>
Accumulated depreciation		
Office furniture and equipment	\$ 60	\$ 58
Computer equipment	<u>41</u>	<u>29</u>
	<u>\$101</u>	<u>\$ 87</u>
Net book value	<u>\$ 6</u>	<u>\$ 20</u>

FOURTH QUARTER REPORT 2006

CROWN CORPORATIONS COUNCIL

FINANCIAL STATEMENTS

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.