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2007 Annual Report of the Chief Electoral Officer

*The Election Finances and Contributions Disclosure Act
For the Calendar Year 2007*



chief electoral office

Suite 100
11510 Kingsway NW
Edmonton, Alberta
Canada T5G 2Y5

Tel | 780.427.7191
Fax | 780.422.2900

info@elections.ab.ca

December 2008

The Honourable Ken Kowalski
Speaker of the Legislative Assembly
325 Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Mr. Speaker:

It is an honour to submit to the Legislative Assembly through you, Mr. Speaker, Elections Alberta's 2007 Annual Report on the *Election Finances and Contributions Disclosure Act* for the calendar year 2007.

This Report is submitted pursuant to Section 4(2) of the *Election Finances and Contributions Disclosure Act*, Revised Statutes of Alberta 2000, Chapter E-2. The Report includes this Office's financial statements as at March 31, 2008.

Should you require clarification or additional information, I would be pleased to respond.

Sincerely,

A handwritten signature in black ink that reads "Lorne R. Gibson". The signature is written in a cursive, flowing style.

Lorne R. Gibson
Chief Electoral Officer

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Message from the Chief Electoral Officer

The report on the 2007 calendar year contains current registration information for registered political parties and constituency associations. In addition, it includes summary information from the 2007 financial statements filed by registered political parties and constituency associations by March 31, 2008.

One area of focus during the 2007 calendar year has been the development of a formalized process for reviewing financial statements for compliance with relevant legislation. Close review of financial statements filed with this Office has demonstrated that political entities continue to interpret the legislation in different ways, resulting in inconsistent reporting. Various methods to enhance support to improve the quality and reliability of reporting are being examined for future application.

Another area of attention was the ongoing review of both pieces of legislation administered by this Office. Approximately one hundred recommendations for legislative change had been submitted to the Standing Committee on Legislative Offices in 2006. Twenty of these were recommendations for change to the *Election Finances and Contributions Disclosure Act (the Act)* to strengthen reporting and disclosure requirements, and to clarify some ambiguities within the legislation. Additional recommendations have been developed in these areas, as well as in the area of enforcement. One notable recommendation identifies the need for reporting and disclosure of financial activities during political party leadership contests. Currently, no reporting requirements exist. A summary of the recommended changes to this *Act* appear in Section Three.

Careful review of financial statements in the 2007 calendar year revealed several contributions which, in my opinion, contravened *the Act*. A summary of the action taken to date has also been included in this report.

I am interested in improving our service to political entities with filing responsibilities under *the Act*. In addition, I am interested in continuing to improve the quality and timeliness of the information contained in this report and on the website (www.elections.ab.ca). Website visitors will note the increased timeliness of the posting of financial statements as one step towards achieving this goal. Additional suggestions to improve the effectiveness of service are welcome.

Lorne R. Gibson
Chief Electoral Officer

Office of the Chief Electoral Officer
Suite 100, 11510 Kingsway NW Edmonton, Alberta T5G 2Y5

Phone (Edmonton and local calling area): 780-427-7191
Toll-free Phone (outside local calling area): 310-0000 780-427-7191
Website: www.elections.ab.ca Email: info@elections.ab.ca

Section One – The Calendar Year 2007

Overview

The following are some of the major activities and events that occurred during the calendar year:

- Annual financial statements for the calendar year 2007 were received and examined from nine registered parties;
- 364 registered constituency associations were included in the Register of Constituency Associations as of December 31, 2007.
- 345 registered constituency associations met their filing requirements by the due date of March 31, 2008.

Registration Data

Political Parties

As at December 31, 2007, there were nine political parties included in the Register of Political Parties maintained by Elections Alberta in accordance with Section 7(2) of the *Election Finances and Contributions Disclosure Act (the Act)*. Registration information concerning these nine registered parties follows:

<u>Name (Abbreviation)</u>	<u>Date Registered</u>	<u>President</u>	<u>Chief Financial Officer</u>
Alberta Alliance Party (AAP)	October 25, 2002	Randy Thorsteinson	Jane Morgan
Alberta Greens (AG)	April 6, 1990	Susan Stratton	David Crowe
Alberta Liberal Party (LIB)	February 3, 1978	Grant Dunlop	Karen Sevcik
Alberta New Democratic Party (NDP)	January 3, 1978	Steve Bradshaw	Sandra Houston
Alberta Party (AP)	October 30, 1990	Richard Kayler	Fred Schorning
Alberta Social Credit Party (SC)	January 6, 1978	Earl Solberg	Earl Solberg
Communist Party - Alberta (CP-A)	January 31, 1979	Naomi Rankin	Blyth Nuttal
Progressive Conservative Association of Alberta (PC)	January 3, 1978	Marg Mrazek	Ron Renaud
Separation Party of Alberta (SPA)	November 2, 1999	Mike Bennison	Judy Hutton

Reserved Political Party Names

This Office holds a file of four reserved political party names as of December 31, 2007. The applicants have indicated that they propose to form a registered political party in accordance with the provisions of *the Act*. The current status of their progress is uncertain. However, they have been advised that one of the primary requirements for registration is the completion of a petition under Section 6(2)(d) of *the Act*. The petition must contain a minimum of 6,004 signatures of eligible electors, which represents 0.3% of the number of electors eligible to vote at the 2004 General Election.

Constituency Associations – Registration

During the 2007 calendar year, seven applications for registration were received and approved.

Alberta Greens

- Calgary - Elbow
- Edmonton - Mill Creek
- Drumheller - Stettler
- Lacombe - Ponoka

Alberta Social Credit Party

- Drumheller - Stettler
- Innisfail - Sylvan Lake
- Sherwood Park

Constituency Associations – Deregistration

During the 2007 calendar year, no constituency associations were deregistered.

Constituency Associations – Re-registration

During the 2007 calendar year, no requests were received to re-register previously deregistered constituency associations.

Summary of Constituency Association Registrations as at December 31, 2007

As at December 31, 2007, the number of registered constituency associations of the registered parties was as follows:

	AAP	AG	LIB	NDP	AP	SC	CPA	PC	SPA	TOTAL
Total Registered Constituency Associations	83	7	83	83	2	13	0	83	10	364

A chart showing the status of registered constituency associations of each registered political party, by electoral division, is presented on pages 13 and 14.

Financial Statements

In accordance with Section 42 of *the Act*, political parties and constituency associations registered prior to September 1, 2007 were required to file annual financial statements for 2007 with this Office on or before March 31, 2008.

Political Parties - 2007 Annual Financial Statements

Nine political parties were registered with the Office of the Chief Electoral Officer as of December 31, 2007, and all were required to submit an audited 2007 Political Party Annual Financial Statement by March 31, 2008. Eight of the nine registered parties filed on time; the Alberta Alliance Party filed late. Following a review by this Office, the Alberta Alliance Party was allowed to maintain their registration. The nine registered parties are as follows:

- Alberta Alliance Party
- Alberta Greens
- Alberta Liberal Party
- Alberta New Democratic Party
- Alberta Party
- Alberta Social Credit Party
- Communist Party - Alberta
- Progressive Conservative Association of Alberta
- Separation Party of Alberta

In accordance with Section 6(6) of *the Act*, political parties that maintain a foundation are also required to file an annual report of the expenditures of that foundation. As at December 31, 2007, only the Progressive Conservative Association of Alberta maintained a foundation and it reported expenditures of \$63,031.

Political Party Contributions

The following represents the number, monetary amount, and category of contributions received by registered political parties in the 2007 calendar year as represented by the contribution receipts issued. Figures in this report are rounded to the nearest dollar.

Alberta Alliance Party

	Total Contributions	Average Contribution
Amounts to \$375.00:		
76 contributions from individuals	\$ 9,481	\$ 125
Amounts of \$375.01 and greater:		
26 contributions from individuals	\$ 137,960	\$ 5,306
10 contributions from corporations	\$ 93,020	\$ 9,302
Total	\$ 240,461	

Alberta Greens

	Total Contributions	Average Contribution
Amounts to \$375.00:		
61 contributions from individuals	\$ 7,618	\$ 125
3 contributions from corporations	\$ 640	\$ 213
Amounts of \$375.01 and greater:		
14 contributions from individuals	\$ 10,415	\$ 744
2 contributions from corporations	\$ 1,000	\$ 500
Total	\$ 19,673	

Alberta Liberal Party

	Total Contributions	Average Contribution
Amounts to \$375.00:		
2,481 contributions from individuals	\$ 215,197	\$ 87
197 contributions from corporations	\$ 27,475	\$ 139
Amounts of \$375.01 and greater:		
1,050 contributions from individuals	\$ 476,357	\$ 454
186 contributions from corporations	\$ 230,363	\$ 1,239
Total	\$ 949,392	

Alberta New Democratic Party

	Total Contributions	Average Contribution
Amounts to \$375.00:		
2,086 contributions from individuals	\$ 290,975	\$ 139
21 contributions from corporations	\$ 2,629	\$ 125
6 contributions from trade unions	\$ 1,400	\$ 233
Amounts of \$375.01 and greater:		
335 contributions from individuals	\$ 237,873	\$ 710
2 contributions from corporations	\$ 1,739	\$ 870
14 contributions from trade unions	\$ 51,030	\$ 3,645
Total	\$ 585,646	

Alberta Party

	Total Contributions	Average Contribution
Amounts to \$375.00:		
4 contributions from individuals	\$ 300	\$ 75
Amounts of \$375.01 and greater:		
10 contributions from individuals	\$ 18,949	\$ 1,895
Total	\$ 19,249	

Alberta Social Credit Party

	Total Contributions	Average Contribution
Amounts to \$375.00:		
52 contributions from individuals	\$ 6,365	\$ 122
Amounts of \$375.01 and greater:		
4 contributions from individuals	\$ 7,120	\$ 1,780
Total	\$ 13,485	

Communist Party – Alberta

	Total Contributions	Average Contribution
0 contributions	\$ 0	\$ 0
Total	\$ 0	

Progressive Conservative Association of Alberta

	Total Contributions	Average Contribution
Amounts to \$375.00:		
3,904 contributions from individuals	\$ 373,540	\$ 96
277 contributions from corporations	\$ 36,190	\$ 131
Amounts of \$375.01 and greater:		
958 contributions from individuals	\$ 747,341	\$ 780
774 contributions from corporations	\$ 1,467,001	\$ 1,895
Total	\$ 2,624,072	

Separation Party of Alberta

	Total Contributions	Average Contribution
Amounts to \$375.00:		
8 contributions from individuals	\$ 430	\$ 54
Amounts of \$375.01 and greater:		
8 contributions from individuals	\$ 7,301	\$ 913
1 contribution from a corporation	\$ 3,286	\$ 3,286
Total	\$ 11,017	

Total Contributions to All Parties

	Total Contributions	Average Contribution
Amounts to \$375.00:		
8,672 contributions from individuals	\$ 903,906	\$ 104
498 contributions from corporations	\$ 66,934	\$ 134
6 contributions from trade unions	\$ 1,400	\$ 233
Amounts of \$375.01 and greater:		
2,405 contributions from individuals	\$ 1,643,316	\$ 683
975 contributions from corporations	\$ 1,796,409	\$ 1,842
14 contributions from trade unions	\$ 51,030	\$ 3,645
Total	\$ 4,462,995	

**Summary of 2007 Annual Financial Statements
Filed by
Registered Political Parties**

Registered Political Parties	Amounts to \$375.00	Amounts of \$375.01 and greater	Other Revenue	Total Annual Revenue	Funds Transferred	Annual Expenses	Total Annual Expenses	Surplus (Deficit)
AAP	9,481	230,979	7,464	247,924	203	71,394	71,597	176,327
AG	9,112	10,560	3,666	23,338	1,882	14,902	16,784	6,554
AP	290	18,949	251	19,490	Nil	20,103	20,103	(613)
CP-A	Nil	Nil	Nil	Nil	Nil	169	169	(168)
LIB	239,168	709,329	144,537	1,093,034	373,195	748,911	1,122,106	(29,072)
NDP	297,406	287,190	124,403	708,999	165,122	467,787	632,909	76,090
PC	409,035	2,215,037	514,708	3,138,780	Nil	2,695,820	2,695,820	442,960
SC	6,235	7,000	7,569	20,804	3,665	12,917	16,582	4,222
SPA	721	10,296	1,280	12,297	Nil	15,657	15,657	(3,360)

Note: The information presented above represents financial data as filed by Registered Political Parties as at December 31, 2007 in capsule form rounded to the nearest dollar. These contribution amounts may not agree to contributions reported on pages 5, 6 and 7 due to minor post-filing adjustments.

Constituency Associations – 2007 Annual Financial Statements

Of the 364 registered constituency associations:

- 344 constituency associations filed their financial statements by the due date of March 31, 2008;
- 1 constituency association was exempt from filing because they registered within four months of the year end (Section 42(2) of *the Act*);
- 8 constituency associations were in the process of de-registration and accordingly did not submit a financial statement;
- 6 constituency associations filed their financial statements after the due date; and
- 5 constituency associations have not yet filed their financial statements.

Constituency Association Contributions

The policy regarding the acceptance of contributions by constituency associations differs between parties. The following information reflects these policies during the 2007 filing term.

Alberta Alliance Party

Registered constituency associations were authorized to accept contributions.

Four of the 83 registered constituency associations reported receiving contributions:

	Total Contributions	Average Contribution
Amounts to \$375.00:		
35 contributions from individuals	\$ 2,825	\$ 81
Amounts of \$375.01 and greater:		
4 contributions from individuals	\$ 3,259	\$ 815
3 contributions from corporations	\$ 7,500	\$ 2,500
Total	<u>\$ 13,584</u>	

Alberta Greens

Registered constituency associations were authorized to accept contributions.
Five of the seven registered constituency associations reported receiving contributions:

	Total Contributions	Average Contribution
Amounts to \$375.00:		
40 contributions from individuals	\$ 5,400	\$ 135
1 contribution from a corporation	\$ 200	\$ 200
Amounts of \$375.01 and greater:		
10 contributions from individuals	\$ 7,134	\$ 713
Total	<u>\$ 12,734</u>	

Alberta Liberal Party

Registered constituency associations were not authorized to accept contributions.
All contributions are accepted at the party level.

Alberta New Democratic Party

Registered constituency associations were not authorized to accept contributions.
All contributions are accepted at the party level.

Alberta Party

Registered constituency associations were authorized to accept contributions.
Neither of the two registered constituency associations reported receiving contributions.

Alberta Social Credit Party

Registered constituency associations were authorized to accept contributions.
Four of the 13 registered constituency associations reported receiving contributions:

	Total Contributions	Average Contribution
Amounts to \$375.00:		
25 contributions from individuals	\$ 2,900	\$ 116
Amounts of \$375.01 and greater:		
4 contributions from individuals	\$ 3,500	\$ 875
Total	<u>\$ 6,400</u>	

Communist Party - Alberta

The Communist Party had no constituency associations registered in the 2007 calendar year.

Progressive Conservative Association of Alberta

Registered constituency associations were authorized to accept contributions.
77 of the 83 registered constituency associations reported receiving contributions:

	Total Contributions	Average Contribution
Amounts to \$375.00:		
4,287 contributions from individuals	\$ 503,082	\$ 117
952 contributions from corporations	\$ 164,806	\$ 173
Amounts of \$375.01 and greater:		
731 contributions from individuals	\$ 419,351	\$ 574
638 contributions from corporations	\$ 397,541	\$ 623
1 contribution from a trade union	\$ 425	\$ 425
Total	\$ 1,485,205	

Separation Party of Alberta

Registered constituency associations were authorized to accept contributions.
None of the 10 registered constituency associations reported receiving contributions.

Total Contributions to All Constituency Associations

	Total Contributions	Average Contribution
Amounts to \$375.00:		
4,387 contributions from individuals	\$ 514,207	\$ 117
953 contributions from corporations	\$ 165,006	\$ 173
Amounts of \$375.01 and greater:		
749 contributions from individuals	\$ 433,244	\$ 578
641 contributions from corporations	\$ 405,041	\$ 631
1 contribution from a trade union	\$ 425	\$ 425
Total	\$ 1,517,923	

Total Combined Contributions to Political Parties and Constituency Associations

Total contributions received by registered parties and constituency associations during 2007 were:

	Party	Constituency Associations	Total
Alberta Alliance Party	\$ 240,461	\$ 13,584	\$ 254,045
Alberta Greens	\$ 19,673	\$ 12,734	\$ 32,407
Alberta Liberal Party	\$ 949,392	\$ Nil	\$ 949,392
Alberta New Democratic Party	\$ 585,646	\$ Nil	\$ 585,646
Alberta Party	\$ 19,249	\$ Nil	\$ 19,249
Alberta Social Credit Party	\$ 13,485	\$ 6,400	\$ 19,885
Communist Party - Alberta	\$ Nil	\$ Nil	\$ Nil
Progressive Conservative Association of Alberta	\$ 2,624,072	\$ 1,485,205	\$ 4,109,277
Separation Party of Alberta	\$ 11,017	\$ Nil	\$ 11,017
Total	\$ 4,462,995	\$ 1,517,923	\$ 5,980,918

**Status of Constituency Associations
of Registered Political Parties
as at December 31, 2007**

("R" = registered, "-" = not registered, "X" = deregistered in reporting year)

Constituency Association	AAP	AG	LIB	NDP	AP	SC	PC	SPA
01 Dunvegan-Central Peace	R	-	R	R	-	-	R	-
02 Calgary-Bow	R	-	R	R	-	R	R	-
03 Calgary-Buffalo	R	-	R	R	-	-	R	-
04 Calgary-Cross	R	-	R	R	-	-	R	-
05 Calgary-Currie	R	-	R	R	-	-	R	-
06 Calgary-East	R	-	R	R	-	-	R	-
07 Calgary-Egmont	R	-	R	R	-	-	R	-
08 Calgary-Elbow	R	R	R	R	-	-	R	-
09 Calgary-Fish Creek	R	-	R	R	-	-	R	-
10 Calgary-Foothills	R	-	R	R	-	-	R	-
11 Calgary-Fort	R	-	R	R	-	-	R	-
12 Calgary-Glenmore	R	-	R	R	-	-	R	-
13 Calgary-Hays	R	-	R	R	-	-	R	-
14 Calgary-Lougheed	R	-	R	R	-	-	R	-
15 Calgary-Mackay	R	-	R	R	-	-	R	-
16 Calgary-McCall	R	-	R	R	-	-	R	-
17 Calgary-Montrose	R	-	R	R	-	-	R	-
18 Calgary-Mountain View	R	R	R	R	-	-	R	-
19 Calgary-North Hill	R	-	R	R	-	-	R	-
20 Calgary-North West	R	-	R	R	-	-	R	-
21 Calgary-Nose Hill	R	-	R	R	-	-	R	-
22 Calgary-Shaw	R	-	R	R	-	-	R	-
23 Calgary-Varsity	R	-	R	R	-	-	R	-
24 Calgary-West	R	-	R	R	-	-	R	-
25 Edmonton-Beverly-Clareview	R	-	R	R	-	R	R	-
26 Edmonton-Calder	R	-	R	R	-	-	R	-
27 Edmonton-Castle Downs	R	-	R	R	-	-	R	-
28 Edmonton-Centre	R	-	R	R	-	-	R	-
29 Edmonton-Decore	R	-	R	R	-	-	R	R
30 Edmonton-Ellerslie	R	-	R	R	-	-	R	-
31 Edmonton-Glenora	R	-	R	R	-	R	R	R
32 Edmonton-Gold Bar	R	-	R	R	-	-	R	R
33 Edmonton-Highlands-Norwood	R	-	R	R	-	-	R	-
34 Edmonton-Manning	R	-	R	R	-	-	R	-
35 Edmonton-McClung	R	-	R	R	-	-	R	-
36 Edmonton-Meadowlark	R	-	R	R	-	R	R	-
37 Edmonton-Mill Creek	R	R	R	R	-	-	R	-
38 Edmonton-Mill Woods	R	-	R	R	-	-	R	-
39 Edmonton-Riverview	R	-	R	R	-	-	R	-
40 Edmonton-Rutherford	R	-	R	R	-	-	R	-
41 Edmonton-Strathcona	R	R	R	R	-	-	R	-
42 Edmonton-Whitemud	R	-	R	R	-	-	R	-
43 Airdrie-Chestermere	R	-	R	R	R	-	R	R

**Status of Constituency Associations
of Registered Political Parties
as at December 31, 2007**

("R" = registered, "-" = not registered, "X" = deregistered in reporting year)

Constituency Association	AAP	AG	LIB	NDP	AP	SC	PC	SPA
44 Athabasca-Redwater	R	-	R	R	-	-	R	-
45 Banff-Cochrane	R	-	R	R	-	-	R	-
46 Barrhead-Morinville-Westlock	R	-	R	R	-	-	R	-
47 Battle River-Wainwright	R	-	R	R	-	R	R	-
48 Bonnyville-Cold Lake	R	-	R	R	-	-	R	-
49 Cardston-Taber-Warner	R	-	R	R	-	-	R	-
50 Cypress-Medicine Hat	R	-	R	R	-	-	R	-
51 Drayton Valley-Calmr	R	R	R	R	-	-	R	-
52 Drumheller-Stettler	R	R	R	R	R	R	R	-
53 Foothills-Rocky View	R	-	R	R	-	-	R	-
54 Fort McMurray-Wood Buffalo	R	-	R	R	-	-	R	-
55 Fort Saskatchewan-Vegreville	R	-	R	R	-	-	R	-
56 Grande Prairie-Smoky	R	-	R	R	-	-	R	-
57 Grande Prairie-Wapiti	R	-	R	R	-	-	R	-
58 Highwood	R	-	R	R	-	-	R	-
59 Innisfail-Sylvan Lake	R	-	R	R	-	R	R	-
60 Lac La Biche-St. Paul	R	-	R	R	-	-	R	-
61 Lacombe-Ponoka	R	R	R	R	-	-	R	-
62 Leduc-Beaumont-Devon	R	-	R	R	-	R	R	-
63 Lesser Slave Lake	R	-	R	R	-	-	R	-
64 Lethbridge-East	R	-	R	R	-	-	R	R
65 Lethbridge-West	R	-	R	R	-	R	R	-
66 Little Bow	R	-	R	R	-	-	R	-
67 Livingstone-Macleod	R	-	R	R	-	-	R	R
68 Medicine Hat	R	-	R	R	-	-	R	-
69 Olds-Didsbury-Three Hills	R	-	R	R	-	-	R	R
70 Peace River	R	-	R	R	-	-	R	-
71 Red Deer-North	R	-	R	R	-	-	R	-
72 Red Deer-South	R	-	R	R	-	R	R	R
73 Rocky Mountain House	R	-	R	R	-	R	R	R
74 Sherwood Park	R	-	R	R	-	R	R	-
75 Spruce Grove-Sturgeon-St. Albert	R	-	R	R	-	-	R	-
76 St. Albert	R	-	R	R	-	-	R	-
77 Stony Plain	R	-	R	R	-	-	R	-
78 Strathcona	R	-	R	R	-	-	R	-
79 Strathmore-Brooks	R	-	R	R	-	R	R	R
80 Vermilion-Lloydminster	R	-	R	R	-	-	R	-
81 West Yellowhead	R	-	R	R	-	-	R	-
82 Wetaskiwin-Camrose	R	-	R	R	-	-	R	-
83 Whitecourt-Ste. Anne	R	-	R	R	-	-	R	-
83	7	83	83	2	13	83	10	

Section Two – General Information

Funds Held in Trust by the Office of the Chief Electoral Officer

At the date of this report, the Chief Electoral Officer is not holding any funds in trust for any party, constituency association, or candidate whose registration has been cancelled, or for any other reason.

Public Files

The Public Files contain information concerning political financing of registered political organizations in Alberta. The Public Files now contain data for thirty-one consecutive calendar years including eight general elections starting March 14, 1979, the eighteen by-elections held starting November 21, 1979 and three Senate Nominee elections held in 1989, 1998, and 2004.

All financial statements are contained in the Public Files maintained by this Office and are available for examination from 8:15 a.m. to 12:00 p.m. and 1:00 p.m. to 4:30 p.m., Monday to Friday. Photocopies of data maintained in the Public Files are available at a rate prescribed under authority of Section 11 of *the Act*.

Reports published by the Chief Electoral Officer are available to the public at no cost and are also available on the Elections Alberta website: www.elections.ab.ca. Information from the 2004 General Election and forward is also available to the public on the web site under the Financial Disclosure tab.

Events of Interest during the 2007 Calendar Year

Two by-elections were held on June 12, 2007 in the electoral divisions of Calgary-Elbow and Drumheller-Stettler. The “Report on the June 12, 2007 By-Elections: Calgary-Elbow & Drumheller-Stettler” was released on August 20, 2007 and is also available on the Elections Alberta website at www.elections.ab.ca.

Events of Interest since January 1, 2008

The following events have taken place between the end of the year and the date this report was published; additional details will be provided in the 2008 Annual Report of the Chief Electoral Officer.

Effective January 31, 2008, the Alberta Alliance Party requested and was granted a name change to Wildrose Alliance Party.

The 2008 General Election was held on March 3, 2008. “The Report on the March 3, 2008 Provincial General Election of the Twenty-seventh Legislative Assembly” was released on July 28, 2008 and is available on the Elections Alberta website at www.elections.ab.ca.

With a view toward improving the understanding and application of the provisions in *the Act*, Elections Alberta participated in three separate campaign colleges organized by political parties. Each of the three sessions was attended by approximately 20 political party representatives seeking to gain a better understanding of *the Act*.

In addition, for the first time, Elections Alberta organized four open information sessions in Edmonton and Calgary targeted at candidates, their chief financial officers, and official agents. Each of these open sessions was attended by about 30 participants. The general format of the information sessions was designed to provide participants with a better understanding of the provisions relating to registration requirements, contribution limits, issuance of official contribution receipts, restrictions on spending activities, advertising, filing of nomination papers, and filing of financial statements.

A professional accounting firm was retained to undertake an independent review of political party and candidate financial statements relating to the 2008 General Election.

Following the 2008 General Election, additional recommendations for legislative amendments to *the Act* were submitted to the Standing Committee on Legislative Offices to improve financial administration, compliance and disclosure.

Section Three – Recommendations to Amend the *Election Finances and Contributions Disclosure Act*

OCTOBER 2006 RECOMMENDATIONS FOR AMENDMENTS TO THE *ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT (THE ACT)* SUBSTANTIVE

1. Annual reporting

Background

Inconsistencies appear in the reporting requirements pursuant to *the Act*. Reporting on provincial enumerations and elections is directed to the Standing Committee on Legislative Offices, whereas annual reporting on financial activities is directed to the Speaker of the Legislative Assembly.

Recommendation

Relevant Section: 4

- a. Standardize reporting requirements by directing all reporting to the Legislative Assembly through the Speaker.**

2. Candidates' nomination deposits

Background

The process for refunding candidates' nomination deposits was revised prior to the 2004 election. Candidates received half of their deposit back for filing a financial statement within the prescribed timeline, and half for receiving the most votes, or 50% or more of the votes received by the candidate with the highest number of votes.

Previously, candidates who paid their own nomination deposits and obtained a refund simply returned the refund to their own funds. They expected to continue this practice in the 2004 election. Funds for nomination deposits from a candidate's personal funds should always have been recorded as a contribution and an expense, but this reporting practice has been inconsistently applied.

All contributions made to registered parties, registered constituency associations and registered candidates during an annual or campaign period generate an official receipt and result in an Alberta Tax Credit to the contributor. In the case of a \$500 contribution, the resulting Alberta Tax Credit would be \$300. It is important to note that when candidates file their nomination papers and provide the \$500 nomination deposit, it becomes a campaign expense and if the candidates paid the deposit from their own funds, it becomes a campaign contribution which is eligible for a tax credit. In the scenario where a candidate receives a refund and returns it to his or her own funds, the

candidate is able to receive a tax benefit despite the fact that the contribution was returned. To ensure that candidates are not able to benefit from this situation, any return of the nomination deposit should be paid to the chief financial officers and not be refunded back to the candidates by either Elections Alberta or the candidates' campaign funds.

Clarity is required to ensure that this process is understood and to ensure that compliance with the legislation is enforced.

Recommendations

Relevant Sections: 1(1)(e), 17(5) of the *EFCD Act*;
62 of the *Election Act*

- a. **If the requirement for a candidate nomination deposit continues, clarify that a nomination deposit paid by the candidate out of his or her own funds becomes a contribution, and must be recorded as such.**
- b. **If the requirement for a candidate nomination deposit continues, clarify that any refund of the nomination deposit or portion thereof, is provided to the chief financial officer in a cheque made payable to the campaign or party. This amount cannot be paid back to the candidate as a refund but can only be used for paying expenses occurring during the campaign period.**

3. Excess and prohibited contributions

Background

A chief financial officer is required to notify the Chief Electoral Officer, in writing, if an excessive contribution, a contribution from a prohibited corporation, or a contribution which does not belong to the contributor has been accepted in contravention of *the Act*.

The Act enables the Chief Electoral Officer to apply a penalty to the person, corporation, trade union or employee organization responsible for an excessive contribution, or a contribution made by a prohibited corporation. The penalty applied by the Chief Electoral Officer must be an amount equivalent to the amount by which the contribution or contributions exceeded the amount permitted under *the Act*. There is no similar provision for the application of a penalty to a contributor who has made a contribution using funds that did not belong to the contributor.

There is also no consequence for a political entity that knowingly solicits and accepts a prohibited contribution. This is in contrast to the provision dealing with excessive contributions where there is a provision that applies to the registered party, constituency association or candidates.

There is also no provision requiring the recipient to return or surrender an excessive contribution, a prohibited contribution, or a contribution not belonging to a contributor.

In the case of anonymous contributions in excess of \$50, which cannot be returned to the contributor, funds are paid to the Chief Electoral Officer for deposit to the General Revenue Fund.

Recommendations

Relevant Sections: 15, 16, 19, 20, 21, 34, 51

- a. **Expand the penalty provisions to empower the Chief Electoral Officer to apply a penalty to a contributor using funds that did not belong to the contributor.**
- b. **Require the recipient to return or surrender funds:**
 - i. **in the amount above the contribution limit in the case of an excessive contribution,**
 - ii. **in the full amount in the case of a prohibited corporation, and**
 - iii. **in the full amount in the case of a contribution not belonging to the contributor****to either the contributor or to the Chief Electoral Officer for deposit to the General Revenue Fund.**
- c. **Include a penalty provision for political entities that knowingly solicit or accept prohibited contributions.**

4. Identification of controlled corporations

Background

The concept of the prohibited corporation was introduced in 1984. It was initially restricted to provincial corporations and their subsidiaries. *The Act* was amended in 2004 to introduce the current definition of “prohibited corporation”, which includes municipalities. In introducing second reading of the amendments, Minister Hancock referred to the fact that the amendments were being made at the request of the Chief Electoral Officer. The Minister said:

“Other changes will clarify that public institutions and their subsidiaries, such as municipalities, regional health boards, school boards, are prohibited from making political contributions”

It is likely that the cross reference in section 1(3) of *the Act* to section 256 of the *Income Tax Act* was included to achieve this result, but it has not achieved the clarity sought in this area. A number of subsidiaries of municipalities have taken the position that the rules against prohibited corporations making contributions do not apply to them. Alberta Justice (Special Prosecutions) agrees with those corporations and has declined to prosecute cases of contributions by municipal subsidiaries. The definition of “prohibited corporations” should be amended so that there can be no question of its application to subsidiaries of municipalities and Metis Settlements. These amendments to *the Act* could be as follows:

Recommendations

Relevant Sections: 1(1)(l), 1(3), 1(4), 3

- a. **Amend the definition of a prohibited corporation to expressly include corporations controlled by municipalities and Metis Settlements.**
- b. **Add a clear definition of what “controlled” means. It should be defined to mean a situation where a majority of the voting shares are held by the municipality, directly or through a trust, or where the municipality appoints all or a majority of the members of the corporation. (Model language can be found in the *Municipal Government Act*, section 1(2).**

5. Consistent use of the principle of ordinary residence

Background

The legislation prohibits contributions from persons who are normally resident outside of Alberta. There is no specific definition of the term “normally resident”, leaving it open for interpretation.

Ordinary residence is specifically defined in the *Election Act* as being determined with the application of a series of rules. Replacement of “normally” with “ordinarily” resident would more clearly identify the group of persons prohibited from making contributions under *the Act*.

Recommendations

Relevant Section: 16

- a. **Replace the term “normally” with “ordinarily” resident.**
- b. **Include a definition of “ordinarily resident”, which is consistent with the definition in the *Election Act*.**

6. Information required for financial statements

Background

Chief financial officers of registered parties and registered constituency associations are required to prepare and file financial statements.

The requirement that “proper records be kept of all income” excludes any mention of the requirement to keep proper records of all expenses, assets and liabilities.

Sections relating specifically to financial filing requirements of constituency associations also make no reference to reporting of assets and liabilities.

Specific mention of expenses, assets and liabilities will clarify the requirement for proper completion of financial statements.

Recommendation

Relevant Section: 30(a), 42(1)(b)

- a. Expand the listing of proper records to include those related to expenses, assets and liabilities.**

7. Fund-raising events

Background

Section 23(3)(b) provides a short-hand way for political entities to apportion expenses and contributions from fund-raising functions. Currently, if the individual charge is \$50 or less, it is not considered to be a contribution unless the contributor requests that it be so considered. In such a case, half is considered to be a contribution and half is considered to be an expense. If the charge is more than \$50, \$25 is allowed for expenses and the balance is considered to be a contribution.

However, the provisions are somewhat outdated since it has not been changed since *the Act* was proclaimed in 1978. Consideration should be given to adjust the expense portion of the fund-raising ticket price to be more representative of the actual cost per person of the function. As costs for events have increased with inflation, the flat rate of \$25 for expenses may not be reflective of the true costs of different kinds of fund-raising events.

Other jurisdictions in Canada with fund-raising function provisions vary from stating that any funds raised at fund-raising events are not to be considered as contributions, to 25% of the price of the ticket to be considered as an expense and the 75% balance of the price to be considered as a contribution.

Recommendation

Relevant Section: 23(3)(b)

- a. Consideration should be given to revise s. 23(3)(b) to state that if the individual charge is between \$51 and \$100, the expense portion of the ticket price would be \$25 and, if the individual charge is over \$100, the expense portion would be 25% of the ticket price.**

8. Records of contributions

Background

Section 32 describes the records that are required to be maintained by the recipient of contributions. Currently *the Act* requires recording the name, address of the contributor and amount of the contribution. There is no requirement for recording the date the contribution was received by the recipient. It is not possible to enforce contribution rules which restrict contribution amounts on an annual and campaign period basis without knowing when contributions were received.

- a. **Add date received to the list of information to be recorded in sections 32(1), 32(3)(b) and 32(4)(b).**

9. Time limit on prosecutions

Background

The Chief Electoral Officer must consent to any prosecution under *the Act*. Currently, a prosecution cannot commence more than two years following the date of commission of the alleged offence.

This restricts the pursuit of justice in situations where the offence is not identified well within the two-year timeframe. It requires that the alleged offence is detected or reported, the matter investigated, and sufficient time is available for the Chief Electoral Officer to form an opinion that prosecution is warranted before the matter is referred to Alberta Justice and Attorney General. At this point, the Minister of Justice may very well want to conduct a further examination of the matter before deciding whether or not to institute a prosecution. Because of the restrictive nature of this timeframe, several critical dates have recently been missed by the Special Prosecutions and Regulatory Prosecutions branches.

Recommendations

Relevant Section: 52(3)

- a. **Extend the time limit on prosecutions, so that prosecution may commence up to one year following the date on which the Chief Electoral Officer believes that an offence has been committed.**
- b. **Require political parties and candidates to retain records related to a campaign for a period of 5 years.**
- c. **Require political parties and constituency associations to retain records related to annual activities for a period of 5 years.**

**OCTOBER 2006 RECOMMENDATIONS FOR AMENDMENTS TO THE
ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT (*the Act*)
HOUSEKEEPING**

10. Significance of registration

Background

There is an important distinction in *the Act* between the various political entities (political parties, candidates, and constituency associations) and “registered” political entities. This distinction has not been consistently observed in the drafting of the current *Act*.

Recommendation

Relevant Sections: Listed below

a. Add the term “registered” to the following:

- Section 4(1)(b)(i) – to constituency association
- Section 5(3) – to party, constituency association and candidate
- Section 9(2)(a)(iii) – to constituency association
- Section 10(1)(b), 10(3), 10(4) – to constituency association
- Section 10(5) – to constituency association and candidate
- Section 43(2) – to constituency association

11. Powers of Chief Electoral Officer vs. duties of political entities

Background

Under section 5, Powers of the Chief Electoral Officer, there is a provision that deals with the retention of records by political entities. Retention of political entity records is not a power of the Chief Electoral Officer. This provision should be removed and placed elsewhere in *the Act*.

Recommendation

Relevant Section: 5(4)

a. Move clause 5(4) to another section of *the Act*, possibly as section 6(7).

12. Update Terminology

Background

There are several instances of out-dated terminology used in *the Act* which should be changed.

Recommendations

Relevant Sections: 10(12), 15(2), 51(3), 40(1)(a)

- a. Update all references to the Provincial Treasurer with Minister of Finance.
- b. Change “treasury branch” to “Alberta Treasury Branches (ATB Financial)”

**JANUARY 2007 RECOMMENDATION FOR AMENDMENT TO THE
ELECTION FINANCES AND CONTRIBUTIONS DISCLOSURE ACT (*the ACT*)**

SUBSTANTIVE

13. Regulation of leadership contests

Background

This recommendation would have been included along with the Chief Electoral Officer's October 31, 2006 recommendations for amendments had it not been for the fact that one of the registered political parties was in the process of holding a leadership contest at the time. It was felt that it would not have been appropriate to have weighed into the public debate regarding the regulation of leadership contests by making a formal recommendation at the time.

There are 4 jurisdictions in Canada that regulate leadership contests including British Columbia, Manitoba, Ontario and Canada. The Royal Commission on Electoral Reform and Party Financing recommended that there be public financial disclosure rules for leadership contests in the interests of promoting integrity and fairness in the electoral process.

It was acknowledged by the Commission that leadership selection is the purview of political parties and the rules should not be too restrictive or intrusive so as to impair a political party's ability to establish its own rules and procedures. The Commission specifically recommended that there be spending limits, financial disclosure, political tax credits, and financial agents to keep records and file disclosure reports for leadership contestants.

The selection of a leader for a political party is very significant considering the importance of a leader in the electoral success of a political party and a leader's impact on public policy. Campaign finance legislation in Alberta does not currently extend to leadership selection and there are no legislative requirements for leadership contestants. The selection of a leader is and should remain primarily an internal party matter; however, there is merit in having basic legislative requirements for leadership contestants as they relate to public disclosure.

- a. Delete reference to leadership campaigns and conventions in the exclusions listed in section 2.**
- b. Minimal regulation of leadership contests should include appointing a financial officer and filing financial disclosure reports with the Chief Electoral Officer for leadership contestants.**

Section Four – Enforcement

Prosecution of an offence under *the Act* may be instituted only with the consent of the Chief Electoral Officer. Prosecution of any offence is the responsibility of Alberta Justice.

Several enforcement actions, undertaken in 2006 as a result of enquiries and compliance reviews of financial statements filed with the Office of the Chief Electoral Officer, were concluded in 2007. Following investigations initiated by Elections Alberta, the Chief Electoral Officer consented to prosecution in five separate instances of contributions by prohibited corporations. Charges relating to contravention of Section 16 of *the Act* were laid in four of the five cases.

These matters were concluded in January, 2008, when the charges were dismissed due to a technical error in the naming of the accused by the Royal Canadian Mounted Police.

Another enforcement action initiated in 2006 was concluded in 2007. The action related to political contributions which exceeded the contribution limits prescribed by Section 17 of *the Act*. Following investigation, the Chief Electoral Officer consented to prosecution against the contributor and the recipient of the excess contributions. Charges were laid against both parties, but withdrawn by Alberta Justice in August, 2007. The Chief Electoral Officer is assessing this matter to determine whether this is an appropriate case to assess an administrative penalty under section 51 of *the Act*.

In 2007, investigations were undertaken in nine instances of contributions by prohibited corporations. The Chief Electoral Officer consented to prosecution in all nine instances and provided specifics to Alberta Justice. In three instances, the deadline for initiating prosecution was missed. In six instances, Alberta Justice did not proceed with charges.

Prosecution is not an effective tool for ensuring compliance with *the Act* in most cases because it relies on the criminal justice system as its enforcement mechanism. In that system, the prosecutor must assess the likelihood of proving the offense on the criminal standard of proof in the context of a number of potential technical defences. As a result of that assessment and the exercise of prosecutorial discretion, a number of breaches of *the Act* have not been dealt with through prosecution despite referrals and consents to prosecute.

At the same time, the provisions of Section 51 in relation to administrative penalties are too narrow to assist in ensuring compliance with most sections of *the Act*. At a minimum, the powers of the Chief Electoral Officer should be expanded to allow the Chief Electoral Officer the authority to impose administrative penalties on a registered party, registered constituency association or registered candidate who knowingly accepts an improper contribution.

Currently, there is no consequence for a political entity that knowingly solicits and accepts a prohibited contribution. This is in contrast to the provision dealing with an excessive contribution, which has a provision that applies to the registered party, registered constituency association or registered candidate.

There is also no provision requiring the recipient to return or surrender an excessive contribution, prohibited contribution, or a contribution not belonging to a contributor.

Key recommendations for legislative amendments made in 2006 to address these shortcomings appear in Section 3 of this Report; additional recommendations appear in the 2008 Provincial General Election Report.

Section Five – Office of the Chief Electoral Officer Financial Statements

Financial Statements – as at March 31, 2008

**Office of the Chief Electoral
Officer**

Financial Statements

As at March 31, 2008

OFFICE OF THE CHIEF ELECTORAL OFFICER

FINANCIAL STATEMENTS

AS AT MARCH 31, 2008

Auditor's Report

Statement of Financial Position

Statement of Operations

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 – Expense Detailed by Object

Schedule 2 - Salary and Benefits Disclosure

Schedule 3 – Schedule of Allocated Costs



Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Office of the Chief Electoral Officer as at March 31, 2008 and the statements of operations and cash flow 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, 2008 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

FCA
Auditor General

Edmonton, Alberta
July 11, 2008

The official version of the Report of the Auditor General,
and the information the Report covers, is in printed form

OFFICE OF THE CHIEF ELECTORAL OFFICER

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash	\$ 150	\$ 150
Accounts receivable and advances	1,200	-
Inventory	<u>260,462</u>	<u>436,822</u>
	261,812	436,972
Capital assets (Note 4)	<u>616,936</u>	<u>487,604</u>
	<u>\$ 878,748</u>	<u>\$ 924,576</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,455,340	\$ 312,925
Accrued vacation pay	<u>94,351</u>	<u>83,807</u>
	<u>2,549,691</u>	<u>396,732</u>
Net assets		
Net assets at beginning of year	527,844	503,590
Net operating results	(12,832,368)	(1,902,257)
Net transfer from general revenues	<u>10,633,581</u>	<u>1,926,511</u>
Net assets (liabilities) at end of year	<u>(1,670,943)</u>	<u>527,844</u>
	<u>\$ 878,748</u>	<u>\$ 924,576</u>

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

OFFICE OF THE CHIEF ELECTORAL OFFICER

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenues:			
Other revenue		<u>\$ 72,765</u>	<u>\$ 12,664</u>
Expenses (Schedules 1 & 3):			
Voted:			
Election office	\$ 1,496,000	1,990,601	1,207,477
Elections	9,233,000	9,320,561	46,709
Register of electors	<u>2,274,000</u>	<u>1,583,427</u>	<u>669,667</u>
	<u>\$ 13,003,000</u>	<u>12,894,589</u>	<u>1,923,853</u>
Statutory:			
Valuation adjustment			
Increase/(Decrease) in accrued vacation pay		<u>10,544</u>	<u>(8,932)</u>
		<u>12,905,133</u>	<u>1,914,921</u>
Net operating results		<u>\$ (12,832,368)</u>	<u>\$ (1,902,257)</u>

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

OFFICE OF THE CHIEF ELECTORAL OFFICER

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2008

	<u>2008</u>	<u>2007</u>
Operating transactions:		
Net operating results	\$ (12,832,368)	\$ (1,902,257)
Add non-cash charges		
Amortization of capital assets	<u>298,746</u>	<u>201,986</u>
	(12,533,622)	(1,700,271)
(Increase)/Decrease in accounts receivable	(1,200)	400
Decrease/(Increase) in inventory	176,360	(171,033)
Increase in accounts payable and accrued liabilities	2,142,415	222,544
Increase/(Decrease) in accrued vacation pay	<u>10,544</u>	<u>(8,932)</u>
Cash used by operating transactions	(10,205,503)	(1,657,292)
Capital transactions:		
Purchase of capital assets	(428,078)	(269,219)
Financing transactions:		
Net transfer from general revenues	<u>10,633,581</u>	<u>1,926,511</u>
Net cash used	<u>0</u>	<u>-</u>
Cash, beginning of year	<u>150</u>	<u>150</u>
Cash, end of year	<u>\$ 150</u>	<u>\$ 150</u>

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

OFFICE OF THE CHIEF ELECTORAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2008

Note 1 Authority

The Office of the Chief Electoral Officer (the “Office”) is operated under the authority of the *Election Act*, the *Election Finances and Contributions Disclosure Act* and the *Senatorial Selection Act*. The net cost of the operations of the Office is borne by the General Revenue Fund of the Province of Alberta. Annual operating budgets are reviewed by the Select Standing Committee on Legislative Offices.

Note 2 Purpose

The Chief Electoral Officer provides administrative, logistic and financial support for general and special enumerations, general elections and by-elections, and plebiscites in support of the *Election Act* and elections in support of the *Senatorial Selection Act*. The Chief Electoral Officer monitors and records the financial activities of registered parties, constituency associations and candidates to ensure compliance with the *Election Finances and Contributions Disclosure Act*.

Note 3 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared primarily 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 Office of the Chief Electoral Officer, for which the Chief Electoral Officer is responsible.

The Office operates within the General Revenue Fund (the “Fund”). The Fund is administered by the Minister of Finance. All receipts of the Office are deposited into the Fund and all disbursements made by the Office are paid from the Fund.

Note 3 Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Basis of Financial Reporting

Revenue

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 costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

Assets

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

Inventories are valued at the lesser of cost or replacement cost.

Capital assets of the Office are recorded at historical cost. The threshold for capitalizing capital assets is \$5,000. Amortization is calculated on a straight-line basis, over the estimated useful lives of the assets as follows:

Computer hardware and software	3 years
Warehouse Equipment	10 years
Furniture and other office equipment	10 years
Election assets	20% each general election

In the year of addition and disposal, amortization is one-half of the prescribed amount.

Liabilities

Liabilities represent all financial claims payable by the Office at fiscal year end.

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

Note 3 Summary of Significant Accounting Policies and Reporting Practices (continued)

b) Basis of Financial Reporting (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 value of cash, accounts receivable and advances, accounts payable and accrued liabilities are estimated to approximate their book values.

Valuation Adjustment

Valuation adjustments reflect amounts excluded from expenses for government budgetary purposes and include changes in the valuation allowances used to reflect assets and liabilities at their appropriate value.

Note 4 Capital Assets

	2008		2007	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware and software	\$1,491,208	\$ 927,442	\$ 563,766	\$ 418,007
Warehouse equipment	13,400	13,400	-	-
Furniture and other office equipment	95,674	56,219	39,455	49,024
Election assets	142,434	128,719	13,715	20,573
	<u>\$1,742,716</u>	<u>\$ 1,125,780</u>	<u>\$ 616,936</u>	<u>\$ 487,604</u>

Note 5 Defined Benefit Plans

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. The expense for these pension plans is equivalent to the annual contribution of \$75,507 for the year ended March 31, 2008 (2007 - \$55,221).

At December 31, 2007, the Management Employees Pension Plan reported a deficiency of \$84,341,000 (2006 - \$6,765,000) and the Public Service Pension Plan reported a deficiency of \$92,070,000 (2006 – surplus of \$153,024,000). At December 31, 2007, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$1,510,000 (2006 - \$3,698,000).

The Office also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2008, the Bargaining Unit Plan reported an actuarial deficiency of \$6,319,000 (2007 – actuarial surplus of \$153,000) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$ 7,874,000 (2007 – \$10,148,000). The expense for these two plans is limited to employer’s annual contributions for the year.

Note 6 Budget

The budget shown on the statement of operations is based on the budgeted expenses presented to the Legislative Assembly on April 19, 2007. The following table compares the Office’s actual expenditures to the voted budget.

	2007-2008 Voted Budget	2007-2008 Actual	Unexpended (Over Expended)
Voted operating expenses	\$ 13,003,000	\$ 12,894,589	\$ 108,411
Voted equipment purchases	225,000	428,078	(203,078)
Total	<u>\$ 13,228,000</u>	<u>\$ 13,322,667</u>	<u>\$ (94,667)</u>

As the Office has exceeded its voted budget, section 24(4) of the Financial Administration Act requires \$94,667 be charged against the 2008-09 supply vote.

Note 7 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 8 Approval of Financial Statements

These financial statements were approved by the Chief Electoral Officer.

OFFICE OF THE CHIEF ELECTORAL OFFICERSCHEDULE OF EXPENSE DETAILED BY OBJECT

FOR THE YEAR ENDED MARCH 31, 2008

	2008		2007
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Voted:			
Salaries, wages and employee benefits		\$ 1,616,319	\$ 907,337
Supplies and services		<u>11,278,270</u>	<u>1,016,516</u>
Total voted expenses	<u>\$13,003,000</u>	<u>12,894,589</u>	<u>1,923,853</u>
Statutory:			
Valuation adjustment:			
Increase/(decrease) in accrued vacation pay		<u>10,544</u>	<u>(8,932)</u>
Total expenses		<u>\$ 12,905,133</u>	<u>\$ 1,914,921</u>

OFFICE OF THE CHIEF ELECTORAL OFFICERSALARY AND BENEFITS DISCLOSUREFOR THE YEAR ENDED MARCH 31, 2008

	2008			2007	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
CURRENT EXECUTIVES					
Senior official					
Chief Electoral Officer ⁽⁴⁾	\$ 157,356	\$ 22,114	\$ 8,302	\$ 187,772	\$ 174,219
Executive					
Deputy Chief Electoral Officer ⁽⁵⁾	\$ 110,156	\$ 13,524	\$ 12,543	\$ 136,223	\$ 99,821

- (1) Base salary includes regular base pay.
- (2) Other cash benefits include bonuses, vacation payments, lump sum payments, and monthly payments in lieu of employee participating in the Management Employees Pension Plan.
- (3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pensions, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition.
- (4) Automobile provided, no dollar amount included in other non-cash benefits figures.
- (5) This position was occupied by two individuals during the year.

OFFICE OF THE CHIEF ELECTORAL OFFICERSCHEDULE OF ALLOCATED COSTSFOR THE YEAR ENDED MARCH 31, 2008

Program	2008				2007	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Valuation	Total	Total
		Accommodation	Legal	Adjustment		
	Costs ⁽²⁾	Costs	Accrued ⁽³⁾	Vacation Pay	Expenses	Expenses
Operations	\$ 12,894,589	\$ 160,694	\$ -	\$ 10,544	\$ 13,065,827	\$ 2,401,155

(1) Expenses - Directly incurred as per Statement of Operations, excluding valuation adjustment.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) is allocated by square footage.

(3) Valuation adjustment as per Statement of Operations. Employee benefits provision were allocated by employee.

