

Justice and Solicitor General

Annual Report
2017-18



Note to Readers:

Copies of the annual report are available on the Alberta Open Government Portal website
<https://open.alberta.ca/publications/2371-2252>

**Justice and Solicitor General
Communications**

5th floor, Bowker Building
9833 - 109 Street
Edmonton, AB T5K 2E8

Phone: 780-427-0900
Fax: 780-427-0771

ISBN: 978-1-4601-3899-1 (print)
ISBN: 978-1-4601-3900-4 (PDF)

ISSN 2371-2244 (print)
ISSN 2371-2252 (online)

June 2018

Justice and Solicitor General

Annual Report 2017-18

Preface	2
Minister’s Accountability Statement	3
Message from the Minister	4
Management’s Responsibility for Reporting	6
Results Analysis	7
Ministry Overview	7
Discussion and Analysis of Results	16
Performance Measure Methodology	42
Ministry Expense by Function	47
Financial Information	49
Ministry of Justice and Solicitor General	51
Department of Justice and Solicitor General	83
Human Rights Education and Multiculturalism Fund	117
Victims of Crime Fund	133
Office of The Public Guardian and Trustee, Estates and Trusts	153
Other Financial Information	175
Annual Report Extracts and Other Statutory Reports	182

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains ministers' accountability statements, the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Justice and Solicitor General contains the minister's accountability statement, the audited consolidated financial statements of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- the financial statements of entities making up the ministry including the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, the Victims of Crime Fund, for which the minister is responsible;
- the financial statements of the Office of the Public Guardian and Trustee, Estates and Trusts for which the minister is responsible;
- other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, either as separate reports or as a part of the financial statements, to the extent that the ministry has anything to report; and
- financial information relating to trust funds.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2018, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 4, 2018, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Kathleen Ganley
Minister of Justice and Solicitor General

MESSAGE FROM THE HONOURABLE KATHLEEN GANLEY



Throughout the year, my ministry continued to help ensure Albertans can live in safe and secure communities and access a fair and innovative justice system. Justice and Solicitor General's many and varied achievements are outlined in the 2017-18 annual report.

In collaboration with our partners at the RCMP, our government took action to combat rural crime by drawing up a seven-point action plan, which includes an \$8-million investment in 39 new RCMP officers, 40 civilian staff, and \$2 million to hire up to 10 additional Crown prosecutors. This strategy will help reduce rural crime by putting resources where they are most needed.

Along with our partners, my ministry also helped address a public health crisis caused by opioid overdoses and deaths. The Office of the Chief Medical Examiner (OCME) worked closely with the Chief Medical Officer of Health (CMOH) to support the development and implementation of harm reduction strategies.

A full-body scanner was installed at the Edmonton Remand Centre as part of a pilot project to combat the introduction of drugs and weapons into the facility and to protect staff and inmates. The scanner detects concealed illegal and dangerous items, such as drugs, weapons, and other contraband items. To ensure we continue to provide care, custody and control, the department has continued to explore innovative ways of reducing the remand population through initiatives such as the Bail Navigator Project, in partnership with the Edmonton Police Service and the John Howard Society of Alberta.

During the year, my department worked hard to strengthen relationships with Indigenous peoples. The Indigenous Court Work Program supported more than 7,000 clients with matters before the courts, and the Indigenous Justice Program provided Indigenous people with culturally-sensitive alternatives to court, where appropriate. Further, my ministry continues to assist families of missing and murdered Indigenous women and girls through the Family Information Liaison Unit.

It is vital that the justice system works more effectively, particularly in the light of the 2016 *R v Jordan* decision by the Supreme Court of Canada, which limits how long a criminal case can take to be addressed. To prevent cases from being dismissed due to delay, the Alberta Crown Prosecution Service continues to proactively take steps to ensure cases are heard as soon as possible, and the most serious and violent offences are prioritized. To further support the timely resolution of cases, our government also announced funding for up to 10 new Crown prosecutors, on top of resources for the rural crime reduction strategy, as well as 13 new staff in bail hearing offices, and up to 55 frontline court staff. Planning work also continued on the new multi-million dollar Red Deer Justice Centre, and new courthouses opened in Red Earth Creek and Fort Vermilion.

Our government understands the vital role legal aid has in ensuring all Albertans have access to the justice system. Since taking office, we have increased funding to Legal Aid Alberta (LAA) by nearly 40 per cent. My ministry is currently negotiating a renewed, long-term sustainable funding and governance agreement with LAA and the Law Society of Alberta which will address the pressures on the program that threaten its long-term sustainability, such as rising costs and demand.

During the year, the province launched a draft framework in anticipation of the federal government's legalization of cannabis. Provincial work continues on the four main priorities: keeping cannabis out of the hands of children and youth; promoting safety on roads, in workplaces, and in public spaces; protecting public health; and limiting the illicit market.

In terms of legislation, the *Alberta Human Rights Amendment Act, 2017*, was passed to strengthen human rights and to further protect Albertans from age discrimination. The act was amended to add "age" as a prohibited ground of discrimination in the areas of tenancy, goods, services, and accommodation or facilities. A phased approach to implementation was chosen in response to feedback from the age-restricted condominium industry.

I am proud of everything we have accomplished during the past year. These initiatives represent a very small part of the important work that took place at Justice and Solicitor General in 2017-18. Thank you to my ministry staff for their dedication and commitment to providing Albertans with excellent services. I would also like to thank our numerous partners from across the justice and law enforcement system for their vital cooperation and service to Albertans.

[Original signed by]

Honourable Kathleen Ganley
Minister of Justice and Solicitor General

Management's Responsibility for Reporting

The Ministry of Justice and Solicitor General includes the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, and the Victims of Crime Fund.

The executives of the individual entities within the ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations, and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports, and other financial and performance reporting.

Responsibility for the integrity and objectivity of consolidated financial statements and performance results for the ministry rests with the Minister of Justice and Solicitor General. Under the direction of the minister, I oversee the preparation of the ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandability – the performance measure methodologies and results are presented clearly.
- Comparability – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Completeness – outcomes, performance measures and related targets match those included in the ministry's Budget 2017.

As deputy minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Justice and Solicitor General the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives of the individual entities within the ministry.

[Original signed by]

Philip Bryden, Q.C.
Deputy Minister of Justice and Deputy Solicitor General
June 4, 2018

Results Analysis

Ministry Overview

In 2017-18, Justice and Solicitor General strived to achieve three outcomes:

- **Outcome One:** Albertans have access to information to help resolve their civil, criminal, and/or family legal issues, and when required, have appropriate and timely access to the courts
- **Outcome Two:** Albertans are safe and protected through focused work on a preventative model of community safety
- **Outcome Three:** Alberta's justice system is sustainable and affordable

Organizational Structure

Justice and Solicitor General

Alberta Crown Prosecution Service Division

The Alberta Crown Prosecution Service (ACPS) is responsible for the prosecution of persons charged under the *Criminal Code*, *Youth Criminal Justice Act*, and provincial statute offences.

The ACPS also handles criminal appeals in the Court of Appeal of Alberta and the Supreme Court of Canada on behalf of Alberta's Attorney General. Additionally, the ACPS develops criminal law policy for the province and supports criminal law consultation with other provinces, territories, and the Government of Canada.

The authority to conduct prosecutions, including all of the discretionary decisions that must be made in every case, originates with the office of the Attorney General. With this role also comes the duty to remain independent. Crown prosecutors are appointed to act for the Attorney General and administer justice at a local level. Through these appointments, the Attorney General empowers agents to perform her prosecutorial duties.

Correctional Services Division

Correctional Services is responsible for the effective and efficient custody and supervision of adults and youth under correctional authority, including the facilitation of rehabilitation opportunities. Custody is reserved for adults who are remanded or serving a sentence of less than two years and for youth who are remanded or sentenced. Community supervision includes programs such as pre-trial supervision, probation, and alternative measures/sanctions for both adults and youth.

Justice Services Division

Justice Services consists of public-facing programs and branches that serve Albertans. The division is made up of a number of programs which provide a range of services such as collecting and enforcing court-ordered child, spousal, and partner support; collecting fines under the *Criminal Code*, traffic safety fines, and no-cash bail forfeitures; providing injured Albertans (victims) with compensation for injuries received in accidents involving uninsured or unknown (hit and run) motorists; and reducing crime by taking away money and property acquired by illegal means. The Property Rights Advocate Office is a resource for Albertans seeking information about issues that may affect property rights. The Office of the Public Guardian and Trustee provides decision-making support for personal and financial challenges facing Albertans, including administration of estates. The Office of the Chief Medical Examiner provides responsive front-line death investigation and death certification services. These offices carry out legislated functions independently from the department, but operate through this division on other matters. The Civil Forfeiture Office applies for court orders to freeze and forfeit criminal property, such as cash, vehicles and homes, and uses the funds to help victims and support community programs. Indigenous Initiatives is responsible for overseeing the contracted Indigenous organizations that provide the Indigenous Court Work Programs and coordinates the provision of *Gladue* reports to the Queen's Bench and provincial courts in Alberta. The ministry is party to a tri-partite agreement with the Law Society of Alberta and Legal Aid Alberta (LAA) in the delivery of legal aid to Albertans. Oversight of this agreement and the grant funding provided to LAA is carried out within this division.

Legal Services Division

Legal Services assists the minister in fulfilling the minister's role to provide legal advice to the Premier and Cabinet. With a comprehensive understanding of government's legislative and regulatory frameworks, policy objectives, and key programs, the division provides legal representation for, and legal advice to, all government departments. The division supports deputy ministers and their departments in achieving their objectives in managing legal risks and ensuring that public affairs are administered according to law. The Legislative Counsel Office within the division drafts legislation, regulations, and Orders in Council.

Ministry Support Services

Ministry Support Services include the minister's office; deputy minister's office; human resource services; and corporate services. These advisory and support services are provided to the entire ministry to establish and support the strategic priorities of the ministry and optimize operating efficiency.

Public Security Division

Public Security is responsible for law enforcement; crime prevention; restorative justice; and victim services. Included is the management of a broad portfolio of functions such as: police oversight and contract management; oversight of private investigators and security guards; and providing security services for government buildings, employees, the judiciary, and members of government. The division also participates in integrated policing initiatives and delivers supplementary law enforcement including court security; prisoner transport; traffic safety enforcement; protection of officials and infrastructure; commercial vehicle safety enforcement; and fish and wildlife enforcement.

Resolution and Court Administration Services

Resolution and Court Administration Services (RCAS) provides a broad range of services to help Albertans resolve their legal issues, including information services, referrals, dispute resolution, and court assistance. RCAS also supports the three Alberta courts through the provision of administrative and technical support services. The division also implements policies, programs, and legislative and regulatory initiatives related to a number of areas, including family, surrogate, criminal, and civil matters.

Agencies, Boards and Commissions

Alberta Human Rights Commission

The Minister of Justice and Solicitor General is responsible for the *Alberta Human Rights Act* (the Act), which establishes the Alberta Human Rights Commission (the Commission) and the Human Rights Education and Multiculturalism Fund.

The Commission is an independent commission of the Government of Alberta reporting to the minister. The Commission protects human rights in Alberta by resolving complaints made under the Act. Human rights tribunals adjudicate complaints that cannot be resolved. The Commission works to eliminate discrimination and barriers to full participation in society through education and community engagement.

The Commission is also responsible for overseeing the administration of the Human Rights Education and Multiculturalism Fund on behalf of the Minister of Justice and Solicitor General. Through its grant program, the fund provides financial support to community organizations for projects that foster equality and reduce discrimination. The fund also provides financial support for the Commission's education and engagement initiatives.

The Chief of the Commission and Tribunals (the Chief), members of the Commission (the Tribunal) and the Director of the Commission are appointed through Orders in Council. The Chief is responsible for keeping the minister informed about human rights issues and providing the Tribunal with guidance regarding their tribunal hearings and other functions. The Chief also provides both the Director of the Commission and the Director of Education and Engagement with guidance regarding the overall goals and direction of the Commission.

The Commission publishes an annual report that summarizes the activities of the Commission.

Alberta Review Board

The Alberta Review Board makes or reviews dispositions concerning any accused person for whom a verdict of "not criminally responsible because of mental disorder" or "unfit to stand trial" is rendered, according to the provisions of the *Criminal Code*. The board also has the responsibility for determining whether such a person should be subject to a detention order, a conditional discharge, or be granted an absolute discharge. The board members are appointed through Orders in Council.

Criminal Injuries Review Board

The Criminal Injuries Review Board considers requests for reviews of decisions regarding applications for financial benefits for victims of crime under the *Victims of Crime Act*. The board may request experts to assist with a review and has the power to confirm, rescind, or vary decisions made by the Director of the Victims of Crime Financial Benefits Program. The board members are appointed through Orders in Council.

Fatality Review Board

The Fatality Review Board is responsible for the review of investigations under the *Fatality Inquiries Act* (the Act). The board determines if there is a need to hold a public fatality inquiry and reviews complaints with respect to misbehaviour, incompetence, or neglect of duty by medical examiners or the inability of medical examiners to perform their duties under the Act. The board members are appointed through Orders in Council.

Judicial Council

The Judicial Council screens individuals to determine if they are qualified for appointment to the Provincial Court of Alberta. The council is granted jurisdiction to deal with complaints against masters, provincial court judges, and justices of the peace. The council is composed of six members: two members are appointed by Ministerial Orders and the remaining four members are designated under the *Judicature Act*.

Law Enforcement Review Board

The Law Enforcement Review Board hears appeals from members of the public and from police officers relating to complaints regarding the actions of police officers and those who are not satisfied with the disposition of their complaint by the responsible chief of police. The board is established under the *Police Act*. The board also hears appeals relating to peace officer employer authorizations or peace officer appointments cancelled under the *Peace Officer Act*. The board members are appointed through Orders in Council.

Notaries Public Review Committee

The Notaries Public Review Committee, which is composed of three members, advises the Minister of Justice and Solicitor General on appointments of lay notaries public. The committee consists of a member of the Law Society of Alberta, a member of the community, and a member of the ministry - who is the secretary. All are appointed by Ministerial Orders under the *Government Organization Act*.

Provincial Court Nominating Committee

The Provincial Court Nominating Committee makes recommendations to the Minister of Justice and Solicitor General on the appointment of individuals to the Provincial Court of Alberta. The committee is composed of 11 members, eight of whom are appointed by Ministerial Orders and include representatives from the legal profession and members of the public. The remaining three committee members include the Chief Judge of the Provincial Court of Alberta, the President of the Law Society of Alberta, and the President of the Canadian Bar Association (Alberta Branch) or their representatives. By way of convention, the minister uses this committee's recommendations in making recommendations to Cabinet for the appointment of new judges.

Rules of Court Committee

The Rules of Court Committee makes recommendations to the Minister of Justice and Solicitor General on the amendments to the Rules of Court made under the *Judicature Act*. The committee consists of six members: the Chief Justice of Alberta or designate, the Chief Justice of the Court of Queen's Bench or designate, the Chief Judge of the Provincial Court of Alberta or designate, two members appointed on recommendation of the Law Society of Alberta, and one member appointed at the discretion of the minister.

Victims of Crime Programs Committee

The Victims of Crime Programs Committee makes recommendations on grant applications and provides information with respect to programs and services to assist victims of crime. The committee members are appointed by Ministerial Orders.

Discussion of Risks

As part of its planning process, the ministry must consider strategic risks that can have an overarching influence and impact on meeting its mandate, mission and long-term outcomes. The 2016-19 strategic risk cycle, which was reflected in the 2017-20 Business Plan, led to action items that worked to address and mitigate the ministry's risk environment. An update on the status of these initiatives and their progress is outlined below. The ministry worked to address the key strategic risks to achieving the outcomes, including increasing the efficient use of judicial time and court infrastructure in order to allocate more resource towards serious criminal matters; targeting information dissemination and research results to adequately inform decision-making; and leveraging advanced technology to prohibit dangerous substances and weapons from entering correctional centres.

Proportionality: A system that emphasizes proportionality helps to optimize limited resources, by prioritizing matters and reducing strains on the justice system that lead to delays in matters being addressed and resolved. The ministry continues to strive to respond to the needs of Albertans and has created policies that will divert less serious offences from the courts to more appropriate services while ensuring just outcomes for the offender and the victim. The ministry piloted a bail navigator program to connect individuals with justice system information and resources, and community supports to help address and resolve matters expediently while ensuring public safety.

Sustainability and integration: The ministry is part of a complex system with competing mandates, priorities and pressures. A lack of integration and sustainability within the overall justice system could lead to increased pressure on parts of the system, leading to disjointed responses to complex issues, difficulties with system navigation and access issues for Albertans. The ministry has added more front-line staff to help relieve pressures on the criminal justice system, as well as enhanced processes for less adversarial and more community-based solutions for family matters. The ministry also facilitated a collaborative approach to emerging issues related to drug trends for the purposes of information sharing with law enforcement, other partners, policy makers and other jurisdictions.

Evidence Based Decision Making: Access to meaningful information and analysis of trends helps to allow the ministry to respond to pressures and priorities in a timely manner. A lack of evidence-based decision-making can undermine the ministry's credibility and ability to achieve its strategic outcomes. A number of programs, systems and initiatives have been introduced to improve information gathering including enhanced data integrity, ensuring Crown prosecutors have access to the accused's criminal history in a timely manner, and integrating staffing systems for more effective resource management.

The ministry is continuing to monitor these risks, and is taking further strides including moving towards electronic file management to increase efficiency. Moving forward, the ministry will continue to focus on reducing the number of unnecessary delays in the court system to enhance timely access and ensure confidence in the justice system.

Key Factors Influencing Performance

Justice and Solicitor General is committed to ensuring Albertans and their communities are supported, resilient and safe, and that the justice system is accessible and responsive. Albertans' needs are evolving, as are their expectations of the justice system.

In order to respond to the evolving needs of Albertans and remain sustainable over the long-term, the ministry must find new ways of delivering services. Wide geographic spread creates challenges in providing consistent and standard service throughout the province. The ministry continued to strive to establish innovative approaches and supports in order to meet increasing expectations for modern services.

Many pressures on and changes to the justice system are externally driven, including court decisions and federal legislation. The Supreme Court of Canada *R v Jordan* decision, for example, places increased urgency to resolve trials promptly or risk proceedings being stayed due to systemic delays. Other significant changes, such as the legalization of cannabis require the development and implementation of provincial legislation, as well as new enforcement strategies. Changes in the justice system result in the need to address the root causes of crime, such as poverty and addiction, and work with our partners in new and different ways to reduce these concerns. While the formal justice system is a necessary avenue of response, it is only one aspect of the broader justice system that works to support the needs of Albertans and make our communities resilient and safe.

The ministry continues to look for innovative ways to improve access to justice for all Albertans and ensure sustainability. Increasing demand for legal aid services has raised operational costs and created challenges for the long-term sustainability of the legal aid program. The ministry is actively working with the LAA to develop a long-term solution to address these challenges.

The justice system interacts with individuals who have very limited involvement and exposure to the justice system, as well as complex clients, and multi-service users (such as social services and health services). Further emphasis on client-focused services are needed to provide appropriate individualized supports. Better integration of services and collaboration with partners across other ministries and sectors continues to be a focus in order to find new ways to address the over-representation of vulnerable populations in Alberta's justice system.

Financial Highlights

Revenues

(in thousands)

	2017-18 Budget	2017-18 Actual	2016-17 Actual
	\$ 362,628	\$ 349,459	\$ 344,324

Budget to Actual

Ministry revenues in 2017-18 were lower than the budgeted amount by \$13.2 million, or 3.6 percent, primarily due to:

- less than anticipated fine revenues resulting from lower volumes of traffic tickets;
- lower than projected Motor Vehicle Accident Claims fees paid at Registry Agents and lower demand for court services that charge fees for service; and
- reduced dedicated revenue due to the timing of fees and penalties amendment in Maintenance Enforcement Program.

Actual to Actual

Actual revenues increased by \$5.1 million or 1.5 percent in 2017-18 compared to 2016-17, mainly attributable to:

- the inter-ministry capital assets transfer was recognized as revenue as result of prospectively adopted new accounting standards (*PS3420 inter-entity transaction*) on April 1, 2017; and
- increases in federal contributions towards Criminal Legal Aid program, Victims of Crime for Indigenous Elders Advisory Group, Family Information Liaison Unit and the Indigenous Court Work program.

Expenses

(in thousands)

	2017-18 Budget	2017-18 Actual	2016-17 Actual
	\$ 1,414,632	\$ 1,452,141	\$ 1,408,725

Budget to Actual

Ministry expenses exceeded the original budget by \$37.5 million or 2.7 percent in 2017-18. The over-expenditure was approved by the Cabinet through supplementary estimates to address:

- funding requirements in the Provincial Police Service Agreement due to the Royal Canadian Mounted Police three-year retroactive compensation increase;
- additional funding for Legal Aid program to better support low-income and vulnerable Albertans to access the justice system;
- increase in labour costs to manage service level requirement across ministry, primarily in Community Corrections, Commercial Vehicle Enforcement and Fish and Wildlife Enforcement; and
- greater than expected volume of motor vehicle accident claims, and higher payouts to victims of crime.

Actual to Actual

Ministry expenses are \$43.4 million or 3.1 percent higher than the previous year, which includes the supplementary funding approved during 2017-18 and outlined above as well as funding to address several spending pressures, including:

- hiring 27 new Crown prosecutors and support staff for the full implementation of Crown-led bail hearings to ensure Alberta has a fair, just and timely bail system; and
- increase in bad debt resulting from higher uncollectable fines due to the current economic environment.

Results Analysis

Discussion and Analysis of Results

Outcome One

Albertans have access to information to help resolve their civil, criminal, and/or family legal issues, and when required, have appropriate and timely access to the courts.

The ministry is committed to delivering alternative dispute resolution pathways to enable Albertans to resolve their legal issues outside of the courts, where appropriate. Not all legal issues require court intervention to achieve resolution; Albertans benefit from affordable and less adversarial options, including administrative alternatives to court processes for less serious matters. At the same time, this allows justice and court resources to be focused on the timely resolution of serious or complex criminal, family and civil matters. The ministry has worked over the past year to ensure Albertans are educated and informed about resolution options that are faster and more efficient.

Key Strategies:

1.1 Work with legal aid stakeholders to improve the sustainability of legal aid.

Legal Aid Alberta (LAA) is an independent society governed by a Board of Directors that administers the legal aid program in Alberta with funding and oversight provided by the Government of Alberta.

Funding for LAA is a shared responsibility between the province and the federal government with approximately 85 percent of annual government funding provided by the province. A new five-year federal contribution agreement was signed in 2017-18, which increases the federal contribution for the delivery of criminal and immigration and refugee legal aid for Alberta. LAA, through the federal contribution, assists eligible clients with immigration and refugee matters related to refugee claims, judicial reviews of failed claims, detention reviews, danger opinions, admissibility hearings and removal appeals to the Immigration Appeal Division.

Increasing demand for legal aid services has raised operational costs and created challenges for the long-term sustainability of Alberta's legal aid program. Since 2015, the government has increased funding to LAA by 39 percent. In 2017-18, JSG provided a total of \$89.3 million in grants to LAA. This included an \$81.4 million grant as approved in Budget 2017; as well as an additional \$7.9 million in-year grant to help LAA address a budget shortfall and ensure the continuation of legal aid services.

Quick Fact:

Some of the services provided by LAA include:

- free legal advice by phone for individuals detained or arrested
- Duty Counsel (free in-person legal advice) for all Albertans appearing at docket courts
- assistance with LAA eligibility requirements
- legal defence for eligible young people and adults charged with a crime

The government has a responsibility to provide a legal aid program that is efficient, cost effective and that meets the needs of low-income and vulnerable Albertans, now and in the future. Justice and Solicitor General began negotiations with LAA in September 2017 to improve Alberta's legal aid program within existing budget constraints through an amended Legal Aid Governance Agreement. The current Legal Aid Governance Agreement expires on March 31, 2019. The negotiations are expected to conclude in 2018, after which an amended agreement will be ratified, and a plan to implement the amended agreement will be developed and implemented before the expiry of the current agreement.

1.2 Work with partners and Indigenous people to ensure programs such as the Aboriginal Court Work program, the Aboriginal Justice Strategy program, and the production of Gladue reports for the province, strengthen the relationship between the department and Indigenous stakeholders and enhance access to justice by assisting Indigenous people to obtain fair and culturally sensitive treatment in the justice system.

There has been an increase in the dialogue between the judiciary, justice stakeholders such as Alberta Crown Prosecution Service and Legal Aid Alberta, and Indigenous justice service providers. This has led to increased collaboration in the delivery of justice related services for Indigenous litigants and identified opportunities such as the Indigenous Court Work Bail Project and the Indigenous Family Court Work community outreach project to increase client services.

The Indigenous Court Work Program (ICWP) is delivered under contract by five Indigenous non-government agencies that have a network of offices in 23 locations across the province. In 2017-18, the ICWP paid approximately \$3.1 million to the contracted agencies to deliver criminal court work services in Alberta.

The ICWP agency directors served on a number of justice committees providing valuable perspectives and insight into the challenges and barriers experienced by Indigenous people involved in the justice system. This participation included representation on the National Indigenous Court Work Program Tripartite Working Group, the *Gladue* Implementation Committee, and the *Jordan* Indigenous Over-representation Sub-committee.

Alberta's remand and overall custody population continues to grow and Indigenous peoples continue to be overrepresented in admissions to provincial correctional services. This year, a pilot project started under the umbrella of the ICWP to support Indigenous clients remanded into custody at the Edmonton and Calgary Remand Centres with the bail process. The pilot project's principal focus is to assist Indigenous accused who are self-represented litigants and for whom bail has not been spoken to, bail has been opposed, or a decision has been deferred by the court to allow for a release plan to be developed. The pilot project also provides assistance to Indigenous accused who are represented by legal counsel but whose circumstances have significantly changed to warrant a review of bail by the courts or those who are at or nearing their 90-day automatic bail review date. The project commenced in May of 2017 and bail court workers began to provide services to inmates in November 2017. An evaluation of the bail project will be conducted, and an evaluation report completed by March 31, 2019 to determine if the project will continue to be provided by the ICWP.

Quick Fact:

The Indigenous Court Work Program (ICWP) provided support to over 7,000 Indigenous adult and youth clients with criminal matters before the Provincial Court. ICWP agency staff provided information and support to 2,500 witnesses, victims and family members.

Quick Fact:

The Indigenous Family Court Work Program (IFCWP) served over 1,900 Indigenous clients with matters before the Family Division of the Provincial Court, which included child protection and family law matters.

The Indigenous Family Court Work Program (IFCWP) is provided by two non-government Indigenous agencies with services provided to most major urban, Métis Settlements and First Nation communities. In 2017-18, the IFCWP paid the non-government agencies nearly \$1.5 million to provide its services.

Resolution and Court Administration Services (RCAS) is collaborating with the existing Indigenous Family Court Workers (IFCW) in St. Paul, and in the surrounding communities of Frog Lake, Saddle Lake and Good Fish Lake to increase access to family justice services by providing assistance with filling out court

forms and referrals to alternative resolution processes such as mediation. Clients can file remotely from their own communities and are given services in their own languages, while remaining in their communities rather than traveling to court. The collaboration between the IFCW and RCAS Family Court Counsellors (FCC) helps improve services and information to clients, empowering them to make informed decisions about alternatives to court and the court processes. RCAS is looking to expand the program to communities of Stony Plain, Grande Prairie, and the surrounding Indigenous communities of Enoch, Alexis, Alexander, Sturgeon, and Horse Lake over the course of 2018.

Although Court workers do not provide legal advice, they do provide legal information and community referrals. This increases the efficiency of the court by ensuring that the accused understands their rights and responsibilities and can make informed decisions regarding their legal matter. This reduces the number of unnecessary delays and ensures that the courts have sufficient information to proceed with making a decision that is just and fit as it relates to that individual.

The *Gladue* Pre-sentence Report Program provides Indigenous-specific pre-sentence reports to the Court of Queen's Bench, and the Criminal and Youth divisions of the Provincial Court, as required by the 1999 Supreme Court of Canada decision in *R v Gladue*. Formal *Gladue* Reports were first provided to the Courts in 2014 and the demand from the courts for these reports has increased each year. Indigenous writers who produce the reports have a direct link to the Indigenous communities to which they are assigned to prepare reports. This improves the quality of the report. Providing training and mentorship for community based writers increases their knowledge and understanding of the justice system, and increases the community's capacity to provide justice related services.

The *Gladue* Pre-sentence Report Program has created a number of opportunities for collaboration and partnership with justice stakeholders. A partnership has been established between Justice and Solicitor General and the University of Alberta Faculty of Law to create a *Gladue* Principled Sentencing Course for law students. This course is proving to be successful in educating law students about the importance of considering the unique circumstances of Indigenous people involved in the criminal justice system, while also providing a valuable learning experience in understanding the challenges and barriers that contribute to Indigenous people becoming involved in the justice system.

Quick Fact:

In 2017-18, 784 *Gladue* reports were requested by the courts, an increase of 11 percent from the previous fiscal year. Reports were produced by 42 community-based contracted writers.

The Indigenous Justice Program (formerly known as the Indigenous Justice Strategy Program) is an Indigenous restorative justice program cost-shared between Justice Canada and Alberta Justice and Solicitor General. This program is offered in seven First Nation communities and eight Métis Settlements across the province. The primary goal of the program is to divert Indigenous people out of the mainstream justice system and provide them with an alternative to resolve their legal matter, such as restorative justice circles, alternative dispute resolution or participation in traditional healing circles.

1.3 Develop and enhance policies and tools to comply with the Supreme Court framework in *R v Jordan* regarding the right of accused to be tried within a reasonable time.

Quick Fact:

The Supreme Court of Canada decision on *R v Jordan* imposed “ceilings”, or deadlines, for bringing criminal charges to trial. The deadline for cases tried in Provincial Court is 18 months, and 30 months for cases tried in the Court of Queen’s Bench.

In 2016, the Supreme Court of Canada released a decision on *R v Jordan*, which imposed “ceilings”, or deadlines, for bringing criminal charges to trial. After subtracting delay waived or attributable to defence counsel, the presumptive “ceilings” or deadlines are 18 months for cases tried in Provincial Court and 30 months for cases tried in the Court of Queen’s Bench. On average, the vast majority of cases proceed well within the presumptive ceilings. However, serious and violent cases often take longer than average due to their complexity.

In 2017-18, the Alberta Crown Prosecution Service (ACPS) and Resolution and Court Administration Services (RCAS) received \$14.5 million to begin to address pressures resulting from the *R v Jordan* decision. The funding enabled the ACPS to return to full complement and to address system pressures through the recruitment of existing vacant positions. This included existing vacancies that carried forward from 2016-17 and new vacancies that arose due to normal staff turnover that occurs in every business. RCAS filled vacant front-line court administration positions across the province.

Justice and Solicitor General (JSG) has been working to create better outcomes for Albertans. ACPS is working with other divisions within the ministry to create policies that will divert matters, where appropriate, away from the traditional court process, while still holding offenders to account.

In April 2017, representatives from across Alberta's criminal justice system came together at the first-ever Alberta Criminal Justice Summit in Edmonton to look at how to address pressures created by the Supreme Court's *R v Jordan* decision. Reforming the criminal justice system is a complex and multifaceted initiative, involving many agencies working together. Summit participants included members of the judiciary, defence bar, legal aid, police agencies, as well as ministry officials who committed to focus their efforts on a number of key areas to collectively improve the criminal justice system.

Quick Fact:

Alberta Criminal Justice Summit priorities:

- restorative justice;
- public confidence;
- cases moving through the system;
- over-representation of Indigenous people in the justice system; and
- *R v Jordan's* impact on Legal Aid Alberta.

1.4 Using a client-focused approach, deliver resolution and court services to Albertans.

Quick Fact:

The RCAS Contact Centre takes 12,000 calls per month, helping Albertans access information about their tickets, court appearances and referrals to other resources.

The Resolution and Court Administration Services (RCAS) Contact Centre was established in 2016 to provide a single point of contact for general court-related telephone inquiries from the public. Over the past year, the Contact Centre implemented improved technology, including skills-based routing to ensure calls get to the most suitable agent and automated services were enhanced to answer basic questions. In an effort to continue to improve services, the Contact Centre will implement a new Client Relationship Management (CRM) system in 2018-19. This tool will allow the Contact Centre to have a centralized system to collect, organize and manage client information in a uniform, consistent, protected and measured way that will provide Albertans with a more seamless experience in the justice system.

An additional courtroom is being built in the existing Red Deer Court House to help alleviate immediate courtroom space pressures until the new Red Deer Justice Centre is completed. Planning for the new Justice Centre began in 2017-18.. Over the past year, the Ministry of Infrastructure provided funding to purchase land from the City of Red Deer for the new facility and engage a consultant to begin the design work.

State of the art facilities opened in the Indigenous communities of Fort Vermilion and Red Earth Creek to enhance service to Albertans, and to provide more technologically capable and secure facilities for court users. Currently people in Tsuu T'ina have to travel to Calgary to have their matters heard, but their community will have better access to justice once the Tsuu T'ina courthouse is re-opened. Planning is anticipated to begin in 2018-19 for a new court facility in Alexis. When the previous facility closed in 2013, the Alexis Nakota Sioux First Nation people were required to travel to Mayerthorpe to have their matters heard. This new court facility will provide better access to justice for this community.

The department has also embarked on the creation of an online Legal Assistance Network to provide Albertans a better appreciation of the various non-government entities that provide legal information and assistance. This network is being co-created with justice stakeholders to define the process and requirements in 2018.

1.5 Reform the family justice system in Alberta to make it more open and responsive by providing families with coordinated services to resolve disputes where possible without having to go to court, and when court processes are required, making them less adversarial.

Alberta continues to work on reforms to the family justice system through the Reforming the Family Justice System (RFJS) initiative, which is designed to assist families as they restructure and to shift the focus away from legal adversarial processes to family supports that will build resilience and avoid the harm typically associated with separation and divorce. The initiative continues to strengthen the family justice system network, helping to model and encourage changes in policy and practices that will promote family well-being. RFJS works on promoting education for family justice system. Going forward, judges, lawyers, frontline service providers and families will be encouraged to take the Alberta Family Wellness Initiative Online Certification, which supports understanding of brain science and the need to build resilience.

Efforts have been focused in Edmonton, Calgary, Red Deer and Grande Prairie to provide early assessments of client needs, including an assessment of safety to assist in determining the level of urgency associated with applications. This process is called Mandatory Triage, Intake and Caseflow. When clients are met with, they are given an in-depth assessment and provided with options for dispute resolution, including mediation, as well as assistance in completing *Family Law Act* applications. Mandatory Triage Intake and Caseflow helps take pressure off court resources, including judicial time and court infrastructure, and helps to meet the needs of Alberta families by fostering less adversarial processes and more community-based solutions for family matters. The service will be expanding to Edmonton Court of Queen's Bench in the fall of 2018.

Quick Fact:

More than 28,000 Albertans went through mandatory triage, intake and caseflow in the participating locations of Edmonton, Calgary, Red Deer and Grande Prairie in 2017.

In February 2018, the Maintenance Enforcement Program (MEP) of the Family Support Order Services Branch launched an 18-month pilot project offering a case management model of service delivery. The move to this approach was driven by client feedback and the ministry's desire to improve service delivery and cultivate operational excellence.

1.6 Explore, and where possible, implement reforms and electronic processes for driving offences (including traffic tickets), increasing the justice system's capacity to handle more serious civil, criminal and family matters in a timely way.

The ministry continues to look for innovative ways to process traffic tickets. Transformative changes are needed to effectively handle increasing volumes of traffic tickets while ensuring there is a fair process for people to challenge any ticket they deem to be unjust. The goal is to make the process more sustainable, accessible, effective, and efficient, while maintaining the right of Albertans to challenge their tickets. This can free up court resources and help the justice system address serious and violent matters in a timely manner.

Quick Fact:

Electronic ticketing technology reduces ticket processing time and data errors, and allows Albertans to resolve their traffic matters sooner.

Electronic ticket issuing technology facilitates the same-day uploading of ticket data to the courts, reducing ticket processing time and allowing Albertans to resolve their traffic matters sooner. This new technology also reduces traffic ticket and data entry errors. The E-Ticketing Project involved development of an e-ticketing application by the Royal Canadian Mounted Police (RCMP), which was implemented by the RCMP Traffic Units and Alberta Traffic Sheriffs in November 2017. Justice and Solicitor General spent approximately \$130,000 on upgrades to current electronic systems to allow acceptance of e-tickets. To date, over 50,000 electronic tickets have been issued in Alberta, which is more than any other RCMP location across Canada. As this is a new system, the integrity of the system and e-ticketing processes are being assessed for impacts and continual improvement.

While the RCMP were first to launch e-ticketing, it is expected that other agencies will adopt similar technology in the future. The ministry is liaising with other enforcement agencies, such as the Lethbridge Police Service and the Edmonton Police Service, to explore and implement the expansion of e-ticketing.

Criminal e-File System

Justice and Solicitor General has continued to implement the Criminal e-File system in additional Crown offices across the province. Criminal e-File utilizes modern web-based content management technology, as well as custom electronic processes, to manage the receipt and disclosure of electronic prosecution documents. Criminal e-File system allows for a much more timely exchange of documents between law enforcement, Crown and defence counsel. In 2017-18, Criminal e-File was implemented in Crown offices in Hinton (September 2017), Slave Lake (November 2017), Red Deer (January 2018) and Fort McMurray (February 2018). With the elimination of manual handling and tracking of paper disclosure, regional offices that have been implemented on the Criminal e-File system are now able to electronically perform vetting and redaction on disclosure to remove sensitive or confidential information before being sent to the accused or counsel. Electronic disclosure can be loaded onto a device and accessed remotely, creating efficiencies and reducing the expense and inconvenience associated with the use and storage of paper files. Criminal case information is available electronically 24 hours a day, 7 days a week to over 800 defence counsel users throughout Alberta and across Canada. The time to produce criminal case disclosure information to persons charged with crimes has been reduced from 14 to as few as two calendar days. Going forward, the ministry continues to plan for the roll-out and implementation of Criminal e-File in the remaining nine regional Crown office locations in the province.

Performance Measures

Performance Measure 1.a: Percentage of *Gladue* reports produced within six weeks of request from Courts

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Result		
Not Available	Not Available	90% (May-March)	91%	90%	90%

The number of requests issued by the courts for *Gladue* Reports increased by 11 percent over the past year, from 705 in 2016-17 to 784 in 2017-18. Of the 784 reports requested, 708 were completed within the six-week timeframe, which is a 90 percent compliance rate.

The 1999 Supreme Court of Canada decision, *R v Gladue* requires that lower courts must consider the unique circumstances of Indigenous people when sentencing an Indigenous offender. This is most often addressed by the Court of Queen's Bench and the Provincial Court of Alberta requesting a *Gladue* pre-sentence report. The ministry has developed a roster of trained community-based writers who are contracted to prepare *Gladue* reports. In 2017-18, the *Gladue* report program cost approximately \$900,000, which included contracts with 42 community-based writers and a *Gladue* Report Provincial Coordinator position.

Once the courts have ordered a *Gladue* pre-sentence report, the request is referred to the *Gladue* Report Provincial Coordinator who, in turn, assigns the report preparation to a writer in the community where the accused person is residing or being held in custody. The writer establishes contact with the accused and arranges to conduct the report interview. The initial interview is very in-depth and includes all aspects of the Indigenous person's life that may have contributed to bringing them in conflict with the justice system. These aspects include the impacts of colonization, inter-generational trauma of residential school experiences, and loss of culture and language. The writer assists the accused person identify other significant collateral contacts, including the accused person's family members, associates, past care providers or significant others. The writer then proceeds to interview each of these contacts, in part to validate the information provided by the accused and to gain the perspective of the significant people in the accused life. After reviewing the information provided from all of the sources, the writer then identifies the *Gladue* factors present in the accused life and compiles a list of community-based resources that the court may wish to consider in sentencing. The report, which averages between seventeen to twenty five pages, is then submitted to the Provincial Coordinator for quality control and subsequently submitted to the court.

Providing *Gladue* reports to the court at the time of sentencing allows the matter to be dealt with in a timely manner and avoids potential lengthy and costly court adjournments. Failure to provide timely *Gladue* reports can result in sentencing delays. Not only do these delays contribute to increased costs for Crown prosecutions, defence counsel and Legal Aid Alberta, but more importantly, they can increase the time an accused spends in remand and can increase the number of times an accused must appear in court from the time of conviction to sentencing.

Justice and Solicitor General has established benchmarks to meet the increasing demand for *Gladue* reports and ensure there are an adequate number of report writers available to respond to requests in each court district. While the ministry strives to produce all *Gladue* reports within six weeks, there are a number of external factors that influence the compliance rate for completion of reports, including:

- The number of *Gladue* reports ordered by the Courts. The volume of court ordered *Gladue* reports continues to increase, up 179 percent since 2014-15 (when 264 reports were requested). These volume increases place pressure on the roster of writers and the financial resources required to meet the demand;
- Recruitment and training of writers to the roster. Maintaining sufficient competent writers on the roster requires a significant investment in time and development; and,
- Locating and conducting interviews with an offender and their collateral contacts can pose a significant challenge to report writers, which may result in report completion delays.

Because the ministry has no control over the number of *Gladue* reports the court requests, it is difficult to forecast the number of requests that will be made by each court district, and to determine the number of writers that will be required to meet the demand.

Performance Measure 1.b: Percentage of Albertans who agree that fair and impartial service is provided to prosecute people charged with a crime

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Result		
80%	81%	Not Available	83%	Not Available	Not Available

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The survey was last conducted in 2016-17. Therefore, a target and result are not available for 2017-18.

In 2016-17, the majority of Albertans (83 percent) agreed that Justice and Solicitor General provides a fair and impartial prosecution service. This was an increase of two percentage points over the previous survey and met the target of 83 percent.

Performance Measure 1.c: Median elapsed time from first to last appearance for a criminal case in Provincial Court and Court of Queen’s Bench of Alberta

Prior Years’ Results				Current Result (2015-16)*	2017-18 Target
2011-12 Result	2012-13 Result	2013-14 Result	2014-15 Result		
121 days**	121 days	127 days	120 days***	124 days	105 days

* The most current data available from the Canadian Centre for Justice Statistics (CCJS) is for 2015-16.

** On September 28, 2015, CCJS revised Alberta’s 2011-12 median elapsed time from 117 days to 121 days.

*** On September 22, 2017, CCJS revised Alberta’s 2014-15 median elapsed time from 107 days to 120 days and also revised Alberta’s number of concluded cases from 44,829 to 50,357. The 2017-18 target of 105 days was set based on the previously reported 2014-15 result of 107 days. (For further explanation of the revision of results, please see the performance measure methodology).

In 2015-16 (the most current data available from CCJS), the median elapsed time was 124 days. This is a 3.3 percent increase when compared to the median elapsed time of 120 days in 2014-15. The median elapsed time is 19 days above the target of 105 days.

When Alberta’s 2017-18 median elapsed time target was set, CCJS’ most recent available data was for the 2014-15 fiscal year. At that time, CCJS reported Alberta’s median elapsed time for 2014-15 as 107 days. Alberta’s 2017-18 target was set based on the 2014-15 result of 107 days.

There are a variety of different factors that can contribute to case processing times in criminal court. These include: the number of accused; the number and types of charges; the number of court appearances; the number of pre-trial motions; whether there is a guilty plea; whether a trial was held; whether an accused has legal representation; and whether a preliminary inquiry was requested and/or held. Case processing time is also influenced by the availability of court resources (judges and lawyers), case management practices, and differences in the structure and operation of courts. Decisions rendered by the Supreme Court of Canada, as well as a variety of initiatives from all levels of government, can influence the volume of cases and the processing of those cases before the courts. For example, a decision of the Alberta Court of Appeal in May 2017 resulted in changes to sections of the *Traffic Safety Act*, applicable to criminally charged offenders, to respond to the findings of the Court.

The ministry’s influence on median elapsed time is based on case processing efficiencies, the number of available courtrooms utilized, available Crown prosecutors and judicial resources, and Court Case Management, which includes the Case Management Office, Crown File Ownership, Remote Courtroom Scheduling (RCS), Assignment Courts, Court Appearance Scheduling System (CASS), and Criminal e-File. Monthly lead-time reports from the Justice Online Information Network (JOIN) inform Resolution and Court Administration Services and the Alberta Crown Prosecution Service (ACPS) if there are delays in case processing for trials and preliminary hearings.

Alberta’s increase in median elapsed time can be partially attributed to an increase in the number of concluded cases. There was a 15.3 percent increase in cases concluded in 2015-16 over the previous year. Case counts for adult criminal courts (Provincial Court of Alberta and the Court of

Queen's Bench combined) increased from 50,357 in 2014-15 to 58,061 in 2015-16. Nationally, over the same time-period case counts decreased 2.7 percent and the median elapsed case time remained the same.

Sometimes the reason for delay before trial is that the matter is high in severity and/or more complex. Cases involving multiple charges as opposed to a single charge also have a higher median time for completion (154 days compared to 92 days, nationally). Alberta experienced a 19.6 percent increase in the number of multiple charge cases, in addition to an 8.3 percent increase in the number of single charge cases. Multiple charge cases represented 64.4 percent of all cases in 2015-16, a slight increase from 62.1 percent in 2014-15.

It is also important to look at the types of offences that cases involve. Generally, cases involving crimes against the person have a higher median time for completion (156 days compared to 176 days nationally), which involve more complex trials. In Alberta, from 2014-15 to 2015-16, the number of cases involving crimes against the person offences increased by 21.9 percent, whereas for Canada as a whole they decreased by 0.5 percent. Additionally, the number of cases involving crimes against property increased 28.9 percent and cases involving administration of justice offences increased 14.3 percent. In 2015-16, cases involving these three types of offences represented 71.5 percent of all cases in Alberta.

In 2012, Alberta launched a Provincial Strategy to Reduce Impaired Driving (PSRID). PSRID enhanced Alberta's graduated licensing programs (GLPs), extended .00 percent blood-alcohol concentration (BAC) limits for new and young drivers, strengthened the response to .05 percent BAC drivers with the immediate roadside sanctions (IRS) program and applied new and more strict administrative sanctions on criminally charged offenders. These efforts had an immediate effect on the rate of impaired driving charges, and injuries and fatalities have been markedly and consistently decreasing ever since. Impaired driving offences decreased 8 percent from 9,401 cases in 2014-15 to 8,617 in 2015-16. Since the launch of PSRID in 2012, impaired driving offences have decreased 12.8 percent and median elapsed time of impaired driving cases has decreased by 46.9 percent from 149 days in 2011-12 to 79 days in 2015-16.

It is impossible to identify any one specific initiative as the source of the changes observed in the statistical trends of this performance measure. The trends reflect the cumulative impact of these initiatives and factors combined.

Performance Measure 1.d: Provincial Court lead time to trial for serious and violent matters

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Result		
25.0 weeks	22.4 weeks	21.9 weeks	24.1 weeks	22.5 weeks	20 weeks

In 2017-18, Provincial Court lead time for serious and violent offences decreased 6.6 percent from the previous year, from 24.1 weeks to 22.5 weeks. The decrease was achieved in spite of a 0.3 percent increase in serious and violent charges commenced from 28,603 charges in 2016-17 to 28,699 charges in 2017-18. Although lead times decreased from 2016-17, they were 2.5 weeks over the target of 20 weeks.

There are a variety of different factors that can contribute to case processing times in Provincial Court. These include: the number of accused; the number and types of charges; the number of court appearances; the number of pre-trial motions; whether there is a guilty plea; whether a trial was held, whether an accused has legal representation; and whether a preliminary inquiry was requested and/or held. Case processing time is also influenced by the availability of court resources (judges and lawyers), case management practices, and differences in the structure and operations of courts. Collectively, this measure is impacted through the ministry and Provincial Court Criminal's collaboration in reducing lead times to trial.

Over the past several years, the ministry has actively employed numerous policy and program changes to increase proportionality and reduce serious and violent case lead time to trial. One such change was the implementation of the Court Case Management (CCM) program, which aims to effectively manage criminal cases outside of the courtroom in many locations in adult Provincial Court in order to improve access to justice and increase public confidence in the justice system. CCM's goal is to ensure all matters are dealt with in a timely manner. CCM uses new and innovative methods to schedule and dispose of matters in the Provincial Court, including Case Management Offices (CMOs), specialized Assignment Courts, Required Appearance Courtrooms, Low Complexity Courtrooms, Remote Court Scheduling software, prosecutorial file ownership, and Criminal e-File.

The 2016 Supreme Court of Canada decision on *R v Jordan* imposed deadlines on bringing criminal charges to trial. In 2017-18, the Alberta Crown Prosecution Service received \$5.7 million to begin to address the pressures resulting from the *R v Jordan* decision. The funding enabled the Alberta Crown Prosecution Service to continue hiring to its full complement. The ministry has been able to reduce the number of active serious and violent Provincial Court cases over 18 months by 27 percent (from 523 in 2016-17 to 382 in 2017-18) while also addressing a five percent increase in the number of cases commenced (from 97,152 cases in 2016-17 to 102,035 in 2017-18). The ACPS continues to monitor serious and violent cases to determine if they are at risk of exceeding the new time restrictions imposed by the Supreme Court of Canada for completing cases. Since October 2016, the number of active serious and violent cases over 18 months has reduced by 47.8 percent (as at March 29, 2018).

It is impossible to identify any one specific initiative as the source of the changes observed in the statistical trends of this performance measure. The trends reflect the cumulative impact of the above-mentioned initiatives and factors combined.

Outcome Two

Albertans are safe and protected through focused work on a preventative model of community safety.

The justice system is complex and multifaceted and must strive to strike the right balance between complex and competing priorities. The ministry aims to shift over time from a reactive model to a preventative model. The preventative model promotes community safety by addressing the underlying drivers of crime and emphasizing rehabilitation, which reduces recidivism. Justice and Solicitor General remains committed to working with its partners in law enforcement to ensure the safety of Albertans. In 2017-18, the ministry dedicated over \$500 million to policing in Alberta. This included providing \$30 million in Police Officer Grants to municipalities to fund 300 police officer positions. In addition, Municipal Policing Assistance Grants from Justice and Solicitor General provided over \$56 million to municipalities to offset their operational costs and to assist with any provincial initiatives, and returned fine revenues to municipalities.

Key Strategies:

2.1 Together with our partners, explore opportunities to engage in a more preventative approach to criminal justice that ensures drivers of crime, including addiction and mental health issues, are addressed.

Quick Fact:

In 2017, funding was provided to 17 crime prevention and victim services programs, and 16 restorative justice programs.

The ministry supports the work of crime prevention and restorative justice programs across the province. In 2017, \$2 million was committed to support 17 crime prevention and victim services programs, and \$360,000 was provided to fund 16 restorative justice programs. Part of this funding was allocated to the Alberta Restorative Justice Association, an organization tasked with being the practitioner voice of restorative justice in the province. Funding was also provided to provincial network associations, including the Alberta Citizens on Patrol Association, the Alberta Community Justice Prevention Association, and the Alberta Provincial Rural Crime Watch Association for their grass-roots work in the community. It was used for annual conferences where education and training is provided to community members on their roles and responsibilities, best practices in board governance, financial accounting and liability insurance as well as assisting in setting up a non-profit organization - local Citizens on Patrol (C.O.P.) groups as an example.

The Alberta Citizens on Patrol Association (ACOPA) reported an increase in requests for assistance from rural areas. Sixteen communities established their own C.O.P. group last year. The Association also completed development of a C.O.P. Patrol App that members can use for patrol reporting. The App makes use of electronic devices where photos can be imbedded into the patrol report as well as a map. The use of technology and an electronic App attracts the younger generation to the C.O.P. program.

As part of the Government of Alberta's *Valuing Mental Health Strategy*, the ministry is working with partners to holistically address the complex needs of offenders and victims. This has included:

- Working with municipal law enforcement partners to enhance the Provincial Mental Health Diversion Program, including reviewing provincial standards, expanding program eligibility criteria, and expanding the number of program locations across the province;

- Mental Health Police Training for those who work in first point-of-contact settings (e.g., first responders, police officers, and other health practitioners) to identify and support people with mental health issues, informed by the communities and individuals impacted. Training content includes understanding signs and symptoms of mental illness, police response to mental illness, the *Mental Health Act* apprehension and conveyance processes, the provincial mental health diversion program, not criminally responsible as well as reducing stigma through lived experience. A panel discussion consisting of community-based police and health service representatives seeks to create greater understanding of different partners roles and responsibilities in serving clients with mental health illness;
- Promoting best practices in responding to, and investigating incidents with individuals experiencing mental health issues and addiction; and
- Promoting wellness and positive mental health for individuals in first point-of-contact settings (e.g., first responders, police, correctional officers and other health practitioners) by working to create increased awareness around issues associated with mental health illness. Road 2 Mental Readiness Training enhances first responders awareness, personal health, and empathy around mental health. The training addresses the significant barrier of stigma, which is necessary in order to ensure a solid foundation for future training of this kind.

In 2016-17, the Mental Health Police Advisory Committee (MHPAC) was formed as a first step in responding to the Alberta Association of Chiefs of Police's (AACP's) request for advanced mental health training for Alberta's police officers. Through MHPAC, a collaborative partnership has developed between the ministry, its policing partners, Alberta Health, and Alberta Health Services (AHS), ensuring more effective and streamlined service delivery, increased sharing of best practices, and better use of resources. The MHPAC developed a comprehensive, standardized police mental health training model, Road to Mental Readiness Program (R2MR), which promotes awareness about mental health and addresses the significant barrier of stigmatization. Over the past year, the MHPAC assisted police agencies in implementing R2MR, and also completed the development and implementation of a two-day mental health police-training model, which focuses on appropriately preparing all frontline officers for interactions with individuals with mental health issues. Formal evaluation results, as well as commentary provided by training participants, are being used as lessons learned to improve the two-day training going forward. On average, the ministry cost to deliver each two-day session was approximately \$4,000.

Work in the area of addiction and emerging substances is ongoing given the ever-changing landscape of the fentanyl and opioid crisis, as well as the upcoming legalization of cannabis. Opioid deaths have been increasing despite best efforts from government and law enforcement partners. In 2016, there was an average of one fatal fentanyl overdose per day (358 deaths); in 2017, that average increased to 1.5 (562 deaths). Through cross ministry partnerships, such as the Emerging Substances Police Advisory Committee and Alberta's Urgent Opioid Response Coordinating Committee, the government is working to decrease overdose deaths in Alberta and reduce the harms associated with fentanyl and opioid misuse. In responding to the opioid crisis over the past year, the ministry has supported first responders, medical examiner staff and correctional staff by equipping them with life-saving naloxone, and has supported the Alberta Law Enforcement Response Teams (ALERT) to address the illicit trafficking of fentanyl in the province. The Office of the Chief Medical Examiner (OCME) has worked closely alongside partners in Alberta Health (through the Office of the Chief Medical Officer of Health) and the College of Physicians and Surgeons of Alberta; researching data on opioid related deaths to inform policy and prevention initiatives in the province to reduce deaths from the opioid crisis. The forensic toxicology laboratory at the OCME is at the cutting edge of the crisis and was one of the

first toxicology laboratories in North America to develop a test to detect carfentanil in human blood and continues to work closely with health and policing colleagues to identify new drugs of abuse in those who die from overdoses in the province.

Recent federal legislation such as Bill C-37 (now SC, 2017, c.7) amending the *Controlled Drugs and Substances Act* has greatly improved law enforcement's powers to address illicit opioid supply in Alberta. This legislation restricts possession of pill-making equipment to pharmacists and licensed individuals. JSG has also participated on the Emerging Substances Police Advisory Committee (ESPAC) to enhance information sharing and collaboration between the government and law enforcement to address the flow of illicit substances. Going forward, the committee will be working to address the ongoing law enforcement challenges of fentanyl detection (trafficking trends and determining unidentified analogues), pressures on labs, repeat client contact, financial implications of drug detection equipment, personal protective equipment, training, and destruction of contaminated items.

2.2 Enhance collaborative relationships between government, law enforcement partners and the communities they serve, in order to modernize enforcement and promote effective crime reduction.

The ministry continued to work with the law enforcement partners on the Policing Crime Prevention Committee to develop collaborative approaches to crime prevention and share best practice and resource opportunities.

Ministries of Health, Community and Social Services, Children's Services and Justice and Solicitor General (JSG), police, and community agencies are working together through the Family Violence Police Advisory Committee (FVPAC) to reduce the incidence and impact of family violence in Alberta. FVPAC has developed and delivered family violence training, information, tools, and policy. In 2017-18, FVPAC provided three family violence training sessions to RCMP, municipal police services, Indigenous police services, Crown, Resolution and Court Administration Services, and probation officers. These training sessions aimed to educate participants about the unique nature of family violence, along with the different roles and responsibilities that various services have in addressing family violence in Alberta, and provide specialized training. FVPAC also launched a Police Referral Card pilot program with ten RCMP detachments across Alberta. These cards provide frontline police officers with effective and accurate information on support services available to victims of family violence in their area, including but not limited to mental health and housing supports, crisis intervention services and legal services, along with family violence and protection orders.

Quick Fact:

JSG and its partners developed a resource card that police services across the province can distribute to Albertans who report sexual violence.

The Sexual Violence Police Advisory Committee (SVPAC) is part of a broader approach to addressing sexual violence in Alberta. SVPAC provides a forum for collaboration on issues surrounding sexual violence and facilitates knowledge exchange between law enforcement, subject matter experts and government. Members of the committee share information, identify existing programs, discuss needs and monitor ongoing challenges in addressing sexual violence. One of SVPAC's most recent achievements is the development of a Best Practice Guide for Law

Enforcement Investigations into Sexual Violence. Police services in Alberta recognized the variation that existed in the response to sexual violence and acknowledged the need for an understanding of the impact of trauma on the victims of these crimes. As such, the Best Practice Guide for Sexual Violence was developed to promote consistency in practice across Alberta and support law enforcement in their efforts to respond in manner that does not further traumatize the victims. In addition to the Best Practice Guide, a public version of the guide was also developed. Upcoming work of the SVPAC will be focused on the development of a sexual violence law enforcement training curriculum that will be geared towards recruits, frontline responders, and specialized investigation units.

In conjunction with the RCMP, the ministry announced a seven point action plan to address rural crime. The plan includes an \$8 million investment in 39 new officers, 40 civilian staff and \$2 million to hire additional Crown prosecutors through Budget 2018. This strategy takes concrete action to address rural crime by putting more boots on the ground in rural areas through the Rural Crime Reduction Units. This unit focuses on targeting prolific offenders and property crime and expands on work that was previously underway in central Alberta, where an integrated crime reduction unit had been piloted. Having teams dedicated to identifying and arresting repeat offenders who have the biggest impact on communities, will also enable frontline officers to be more available and present in their communities. In addition, the Policing Support Centre will be staffed by civilians will help take paperwork responsibilities off officer's hands. This will allow officers to spend more time in the community, investigating and solving crimes. Hiring more Crown prosecutors focused on rural crime to help address rural workloads and timely access to justice. The ministry is also improving coordination and information-sharing with peace officers in the Alberta Sheriffs branch, Fish and Wildlife Enforcement, Commercial Vehicle Enforcement and Conservation Officers.

In 2017-18, Justice and Solicitor General continued to enhance its province-wide strategy for consistent integrated offender management service provision. The Integrated Offender Management framework brings agencies together in a culture of cooperation to manage offenders identified as representing the greatest risk of re-offending. Over the past year, the ministry worked with law enforcement partners to develop a structured judgement tool for front-line police officers to use when making a decision whether or not to detain an accused person charged with criminal offences or release them through other means. The tool will create consistency amongst law enforcement in determining when an individual should be detained based on their risk of violence, and when an individual should be released.

Quick Fact:

The number of prisoner escorts decreased from 53,929 in 2016-17 to 49,460 in 2017-18. Sheriff perimeter screening stations at various court locations across the province scanned 1,517,462 people and seized 5,131 weapons, drugs and drug paraphernalia.

The Alberta Sheriffs Branch plays an integral role in promoting safe and resilient communities throughout the province. Sheriffs are sworn peace officers under the *Alberta Peace Officer Act*, and they perform a wide range of activities in concert with other law enforcement and policing partners in Alberta. Sheriffs provide investigative and enforcement support to police agencies, as well as providing court security and prisoner escort services for court facilities across the province, and perimeter screening services to base court facilities. The use of video conferencing technology for court appearances is continuing to reduce the number of physical prisoner escorts. This not only promotes efficiency and accessibility, it enhances public safety.

Traffic Sheriffs Operations launched in 2006 and currently performs traffic law enforcement duties, and education and awareness initiatives with the RCMP. Traffic sheriffs are deployed to reduce high-risk driving behaviour and the incidence of injury and fatality collisions occurring in Alberta. There were 118,825 violation tickets issued by traffic sheriffs in 2017.

More than 300 fish and wildlife officers, conservation officers and seasonal park rangers worked collaboratively to patrol public land, parks and protected areas to keep Albertans safe, enforce rules and raise awareness about the regulations that protect the land. Provincial officers together issue tickets and warnings for offences such as operating off-highway vehicles without insurance or registration, entering closed areas, fishing without a licence and/or cutting down trees. The province also made it easier for Albertans to report poachers, using their smartphone or computer to report a suspicious hunting or fishing activity. In the past, the only way to report poaching activity, dangerous wildlife or public land abuse was to phone the Report-A-Poacher hotline.

Quick Fact:

In 2017, Fish & Wildlife received 15,150 calls from Albertans, and recorded 76,195 contacts with the public at large. Officers recorded 35,166 patrol trips.

As a leader in the use of advanced technology, Alberta's Commercial Vehicle Enforcement Branch was the first in the country to adopt thermal imaging to automatically identify high-risk and problematic commercial vehicles from the roadside without disrupting the flow of traffic. The Smart Roadside Inspection System uses thermal imaging to identify parts of a vehicle with excess heat buildup and can identify safety concerns such as under-inflated tires, deflated air suspensions, overloaded axles, hub failures and inoperative brakes. Additionally, performance-based brake testers and weigh-in-motion systems are used to help officers find vehicles that do not meet safety standards.

In 2017, a new commercial vehicle inspection station on Highway 63, north of Atmore, was opened to help save lives and reduce collisions by taking unsafe vehicles off the road. Every year more than 1.5 million vehicles use the stretch of highway this station is on. The new \$11-million vehicle inspection station will increase safety on the highway by ensuring commercial vehicles are complying with provincial and national safety standards. Transport officers conduct inspections that include checking vehicle equipment, safety features, cargo securement and driver credentials. When a vehicle or driver fails an inspection, they are taken off the road until the problem is solved, and they may also be fined.

The Ministry's Commercial Vehicle Enforcement Branch (CVEB) partnered with the Ministries of Environment and Parks and Agriculture and Forestry to conduct watercraft inspections at existing vehicle weigh scales throughout the province. For the last five years, the Watercraft Inspections Decontamination and K-9 Program has provided the province with protection from the entry of invasive mussels. Three sniffer dogs complement the team of human inspectors, as they are able to smell tiny traces of mussel odour on boats. The dogs have become the public face of the program, improving public awareness of the dangers of invasive species. This program is providing a critical public service for Albertans by protecting provincial lakes, rivers, biodiversity, and water and irrigation infrastructure.

2.3 Work collaboratively with partners to explore gaps and identify creative solutions and strategies to ensure excellence in service provision to victims as they transition through the criminal justice process. This work will ensure thorough examination and strengthening of performance measures, policies and practices, and will build strategic accountabilities to support a sustainable continuum of services available to victims of crime in Alberta.

The ministry is working to improve its support to victims of crime. In 2016, Justice and Solicitor General consulted with stakeholders across the province to identify what was working well and what needed to be changed to best support Alberta's victims of crime. Out of the consultation, a number of gaps in service delivery were identified. Throughout 2017-18, the ministry has worked towards addressing these gaps. A suite of competencies was developed to assist police-based victim services units in ensuring staff and volunteers have the appropriate skills to support victims. These competencies will help shape and define future training development.

Quick Fact:

The *Canadian Victims Bill of Rights* provides victims with the right to receive information about the justice system and about victim services and programs available to them.

The ministry has continued to advance work in support of the *Canadian Victims Bill of Rights*. This has included the implementation of four programs: Family Information Liaison Unit (FILU), National Inquiry into Missing and Murdered Indigenous Women and Girls, Complaints Program, and Restitution Program.

As part of its commitment to the National Inquiry into Missing and Murdered Indigenous Women and Girls, the ministry established a Family Information Liaison Unit. Families of missing and murdered Indigenous women and girls now have an advocate to help them find information and resources they need. The unit is a single point of contact where experienced front-line staff can provide families with information about the justice system and legal processes, as well as specific updates about criminal investigations, court proceedings or fatality inquiries involving their loved ones. The team can also link families with Elders, spiritual support and counselling. In 2017-18, the ministry conducted an information campaign to provide affected families in Northern Alberta, as well as victim service units and police services, with victim resources.

Victims of crime have the right to complain about the services they receive from the criminal justice system. To fulfill obligations created by the *Canadian Victims Bill of Rights*, a complaint mechanism is under development that will allow for the measurement and management of complaints from victims of crime. A Complaints Working Group comprised of criminal justice entities was established to implement a coordinated mechanism for the receipt, tracking and reporting of complaints that will include new processes and procedures, the use of technology and ongoing monitoring.

Performance Measures

Performance Measure 2.a: Percentage of Albertans who feel safe walking alone in their area after dark

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Results		
82%	81%	Not Available	80%	Not Available	Not Available

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The survey was last conducted in 2016-17. Therefore, a target and result are not available for 2017-18.

In 2016-17, the majority of Albertans (80 percent) felt safe walking alone in their neighbourhood after dark. This was a one percentage point decrease from the previous survey and was four percentage points below the target of 84 percent.

Reporting of crime statistics may have an impact on how people feel about their safety in their neighbourhoods. Police-reported crime in Canada, as measured by the Crime Severity Index (CSI), increased for the second year in a row in 2016. While the overall volume and severity of violent crime remained largely unchanged from the previous year, the overall volume and severity of non-violent crime rose in 2016. This was largely driven by increases in police-reported incidents of fraud. In Alberta, the violent crime rate and violent crime CSI both declined, driven by decreases in robbery and homicide. Alberta's property crime rate and non-violent CSI increased slightly as a result of increases in fraud, theft under \$5,000, and administration of justice violations.

Performance Measure 2.b: Percentage of Albertans satisfied with policing in Alberta over the past 12 months

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Results		
83%	81%	Not Available	82%	Not Available	Not Available

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The survey was last conducted in 2016-17. Therefore, a target and result are not available for 2017-18.

In 2016-17, the majority of Albertans (82 percent) were satisfied with policing over the past 12 months. This was an increase of one percentage point over the previous survey and was three percentage points below the target of 85 percent.

Performance Measure 2.c: Percentage of victims satisfied with services provided by employees and volunteers within the criminal justice system

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Result		
85%	84%	85%	83%	86%	86%

In 2017-18, respondents reported an overall satisfaction rate of 86 percent. This is 3 percentage points higher than the previous year's result of 83 percent and is the same as the target.

Victims who have suffered physical or psychological injury because of violent criminal offences can apply for a financial benefit. The ministry surveys victims who apply for financial benefits to assess their satisfaction with the services they received from service providers in the criminal justice system. This indicator represents overall satisfaction with services on a scale of one to five with one representing "very dissatisfied" and five representing "very satisfied". This year's result represents the highest level of satisfaction in the past 11 years.

Victims who completed the survey also provided comments and suggestions about the assistance they received. The responses regarding support and services from victim services units, victim serving organizations and police were positive overall. Many noted appreciation for specific staff and volunteers who assisted them and provided services and support beyond their expectations. For example, "I was very pleased with how fast and how many people got in touch with me. They have provided support, guidance and reassurance through this difficult time. Thank you." and "I greatly appreciate everyone involved with my case's compassion and support." are just two verbatim comments.

Suggestions were also made for ways in which they thought better services could be provided to victims of crime. These suggestions included ensuring more timely response and communication about cases, providing more support, information and follow-up, and a need for more awareness of services available to victims of crime.

Outcome Three

Alberta's justice system is sustainable and affordable.

The ministry is committed to finding innovative solutions to improve access to justice. Improvements are required to deliver services more effectively and efficiently, to decrease the length of time it takes for cases to proceed through the courts and to ensure the justice system's response is proportionate to the seriousness of the matter.

Key Strategies:

3.1 Work with partners in the evolution of rehabilitative policies and programs for individuals involved in the justice system by ensuring the services and supervision provided are responsive and coordinated, given varying needs and risks.

Justice and Solicitor General continued work on a number of initiatives over the past year to enhance rehabilitative opportunities for individuals involved in the criminal justice system. This included: the ongoing implementation of a new offender supervision model, a "Boot Camp" study, the Intensive Rehabilitation Custody and Supervision Program for justice involved youth, continued training and support for mental health initiatives, revitalization of the Temporary Absence (TA) program, a project to enhance collaboration between correctional workers and probation officers, and continued implementation of amended policies and processes in response to the *Canadian Victims Bill of Rights*.

Since June 2016, Correctional Services Division has been training their probation officers in the Effective Practices in Community Supervision (EPICS) model. This model, which focuses on reducing offenders' risk to re-offend, is grounded in three principles: to match the level of service to the risk level of the offender; target criminogenic needs; and match the style and mode of intervention to the learning style of the offender. In 2017-18, as part of this commitment, Correctional Services Division invested approximately \$280,000 to train 119 officers, develop ten internal EPICS trainers, and support a team in implementing EPICS throughout community corrections in Alberta.

The ministry has designated two housing units at the Edmonton Remand Centre as "boot camp" units. A multi-phase research project found that the boot camp units at ERC have a positive impact on inmate behaviour, and are viewed favorably by unit staff and the boot camp participants. Additionally, there are significantly fewer incidents on the boot camp units compared to other general population units at ERC. However, analysis of re-contact with correctional custody did not demonstrate that boot camp participants are less likely to have re-contact than other ERC inmates are. There are many factors contributing to criminality that could not be controlled for in this analysis (e.g., substance abuse, family and marital relations, anti-social associates, and employment). Despite these limitations, the findings show that the program is beneficial from an operational perspective and the successful model has been replicated on a unit at the Fort Saskatchewan Correctional Centre. The boot camp evaluation provided evidence to support the anecdotes received from staff and inmates, and results of the evaluation provide solid evidence for decision-makers.

In 2017-18, the ministry undertook a number of projects to increase the capacity of staff and partners to deliver mental health services to justice involved youth, in order to best facilitate rehabilitation. Training sessions included Fetal Alcohol Spectrum Disorder diagnostic capacity and trauma-informed care. Enhanced therapeutic programs and services for youth with mental health needs were delivered throughout the province. In 2017-18, a multi-year initiative commenced to implement trauma-informed practice in youth centres across the province. Research supports the need for services to acknowledge the link between mental health, substance abuse, previous traumatic experiences, and involvement in the justice system. Implementing this type of Trauma-Informed-Practice in corrections supports more positive behaviour and, decreases the negative, reactive emotional response and behaviour of justice involved youth. Treatment approaches for youth are based upon research and best practices; it remains a priority to continue working with partners to ensure that critical supports exist for youth.

Quick Fact:

There are 60 probation offices in 44 communities in Alberta, including three Indigenous contracted agencies, The City of Calgary youth probation contract, and four attendance centres (adult and youth).

In 2017-18, JSG continued to implement policy amendments and provide additional training to enhance the use of the Temporary Absence (TA) Program, which is a conditional release program that provides low-risk offenders with an opportunity to pursue employment, education or rehabilitative programming in the community when they would have otherwise been incarcerated. Over the past year, an integrated case management pilot project was concluded in Lethbridge and Medicine Hat. The integrated case management approach encouraged probation officers and correctional centre staff to work in increased collaboration to facilitate continuity of supervision, as offenders transitioned from custody to community. Supervision continuity ensures offender criminogenic needs are being targeted as early, and as consistently as possible in order to reduce the likelihood of re-offence. In addition to enhancing supervision continuity, increased collaboration between community and institutional correctional staff created efficiencies and service enhancements. This enhanced level of integration and collaboration between community corrections and adult centre operations has now become standard practice for the administration of TA programs across the province, and opportunities to establish a broader integrated case management framework are being explored.

3.2 Explore new technology to enhance correctional operations and further develop the supervision and support to individuals under correctional jurisdiction.

In 2017-18, the ministry continued to utilize technology to enhance correctional operations. Enhancements were made to the Offender Records and Correctional Administration (ORCA) system, the ministry's offender management system, to meet current and anticipated business requirements. The changes improved accessibility to the information required for case management and release planning (i.e., Temporary Absence Program). An additional project to modify the Temporary Absence module in ORCA is in the development phase, which will improve business efficiencies through an automated approval process and provide an additional layer of security for the data collected.

SchedulePro software continued to be used at the Edmonton Remand Centre in 2017-18. The intent of the scheduling software is to allow schedulers to assign the most cost-effective staffing resource, who also has the skills and experience required by each post and to better track absenteeism, thereby creating cost savings and business efficiencies. A project evaluation is

ongoing. The early findings show positive improvements in resource utilization and scheduling efficiencies have been reported by staff. Expansion of the program to the Medicine Hat Remand Centre will occur in 2018.

Quick Fact:

Technology is helping Correctional Services deliver programming directly to offenders.

The potential to introduce e-learning and resources into correctional centres is being explored to ensure alternative methods of accessing programs is available to those in custody given the prevalence and ever-increasing reliance on web-based programming, education and resources. To this end, an internet access solution was piloted at the Edmonton Remand Centre to test the online delivery of the General Equivalency Diploma (GED). The pilot concluded with the successful completion of GED testing online. In addition to the GED, the

division is exploring opportunities for expanding online programs for offenders in custody. This involves working collaboratively with various stakeholders to determine the availability of online programs, budgetary impacts, the technology requirements of expanding programs, and security requirements to ensure all necessary security restrictions are in place.

Tablet technology has been introduced to two units at the Edmonton Remand Centre to facilitate and complement approved inmate programming, centre and custodial information, web-based legal resources, and secure e-mail from family members. Initial feedback from inmates and staff indicated the tablets were an additional and positive pro-social activity available to inmates. The tablets facilitated increased contact to community supports and overall supported the operation of the centre by encouraging more constructive use of inmates' time. The tablet pilot will be expanded to an additional unit at the ERC and further tablet activity options will be introduced in 2018-19. The ministry will also explore the potential to expand this project to other correctional centres.

A body scanner, similar to those in use at airports, was installed and became operational at the Edmonton Remand Centre in December 2017 to protect staff, inmates and visitors by preventing illegal drugs and contraband from entering the facility. Although the new technology has been in place for a relatively short period of time, the body scanner has proven to work effectively and has detected contraband at the centre. Preliminary indications suggest the presence of body scanner technology has been a deterrent for contraband being brought into the facility. The cost to purchase the body scanner and train staff on its use was approximately \$270,000 in 2017-18. A further \$310,000 is allocated over the next decade for maintenance and operational costs. The investment in this technology has provided significant benefits to Albertans, by providing the centre with the technology to effectively detect and seize contraband that previously would have contributed to serious and life-threatening incidents within the facility. An evaluation will follow a one-year pilot of the body scanner.

Quick Fact:

The use of body scanner technology helps protect staff and inmates by preventing illegal drugs and contraband from entering correctional facilities.

3.3 Advance policies, processes and practices regarding alternatives to incarceration and effective community transition to ensure ministry efforts are focused on individuals with the highest needs, enhancing the safety of Albertans.

The ministry is in the midst of a multi-year, multi-phase project to review and update the tools, policies, and processes related to classification and placement of adult inmates in remand and correctional centres. In 2016-17, a validation study was undertaken of the Custody Security Assessment Tool (C-SAT), which is used to assign security levels to adult inmates sentenced to provincial custody. In 2017-18, the companion tool to the C-SAT, the Custody Security Assessment Review (C-SAR), was also validated. The C-SAR is used to re-assess security levels once staff have had a chance to observe inmates' behaviour and once inmates have had opportunities to work towards rehabilitation. Final reports on both tools have been produced with revisions recommended to both for greater accuracy. The findings will be used to inform changes to operational policies and practices related to security classification. Better classification systems contribute to institutional and public safety by enabling decision-making for individual inmates based on a clearer understanding of their risks and needs to ensure that security levels are appropriately assigned to individuals while in custody.

Quick Fact:

The aim of the Bail Navigator program is to lessen the number of individuals sent for short periods of time to the remand centre by providing them with information and support around the time of the bail hearing.

As part of the ministry's efforts at reducing the remand population, the Bail Navigator Pilot saw the introduction of three Bail Navigators at Edmonton Police Headquarters in December 2016 for a one-year period. The navigators assist an accused with understanding the bail process and in making referrals to community agencies to assist in mitigating risk in the community and meeting the thresholds of release. This allows those individuals to maintain employment and community supports, while also upholding their obligations and responsibilities in the community (e.g., family responsibilities). Additionally, it reduces the administrative resources required to

admit these individuals into custody and allows correctional resources to be dedicated to those who are remanded due to the risk they pose to the public. The one-year pilot was extended to March 31, 2019 to allow for a more in-depth review. This review will assist the ministry in determining next steps.

3.4 Through ongoing consultations with stakeholders, review and assess the pilot bail model to ensure decisions are made as early as possible while the release and detention of individuals continues to be appropriate, proportionate, and makes the most efficient use of justice system resources.

On February 3, 2017, the Court of Queen's Bench released a decision stating that police do not have the legal authority to conduct bail hearings. As a result, criminal justice stakeholders collaborated to design and implement a new process where Crown prosecutors took over the function of conducting first appearance bail hearings from police services. Implementation of Crown bail began as a pilot project with the Edmonton Police Service in October 2016 before the decision was released. Full implementation of Crown bail with every law enforcement agency across the province was completed on June 21, 2017.

The Crown Bail Offices, located centrally in Edmonton and Calgary, conduct first appearance bail hearings for every law enforcement agency in the province. They have 26 Bail Crown prosecutors, operate 16 hours a day, 7 days a week, including weekends and holidays. Bail hearings occur by video or teleconference with a Justice of the Peace located in Provincial Court Hearing Offices located in Edmonton or Calgary. The accused can also be located at any law enforcement agency in the province, ensuring equal access to services regardless of provincial location.

Quick Fact:

The Crown Bail Office processes an average of 127 files per day, ensuring that an accused is brought before a Justice for a hearing as soon as practicable and not held in custody longer than necessary.

The involvement of Crown as early on as first appearance bail allows opportunities for applications to be made earlier and files to be resolved at an earlier stage, which could impact *R v Jordan* timelines. The ACPS is working with the Provincial Court, law enforcement, the defence bar, and Legal Aid Alberta to improve the bail process so that files can be resolved quickly and appropriately.

In 2018-19, Legal Aid Alberta will be providing duty counsel services to the accused at first appearance bail hearings. Stakeholders will collaborate to design a process where duty counsel can be seamlessly added to the Crown bail process. Additional bail clerks, which were announced in Budget 2018, will also assist Justices of the Peace in the Edmonton and Calgary Hearing Offices. Collectively, this will provide an opportunity for files to be resolved earlier on in the court process, reducing the number of matters that remain in the court system.

Performance Measures

Performance Measure 3.a: Percentage of offenders successfully completing their sentence while on temporary absence without incurring new criminal charges

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Result		
99.6%	100%	100%	99.8%	100%	100%

In 2017-18, all offenders (444 offenders) who were released on a temporary absence completed their sentence without incurring new criminal charges. This is up 0.2 percent from the previous year and met the target of 100 percent. Successful completion of temporary absence indicates these offenders are satisfactorily managed in the community while they are involved in constructive activities, and reflects the suitability of the release decision.

The Temporary Absence (TA) Program is an early release program that provides low risk offenders with an opportunity to pursue employment, education, or rehabilitative programming in the community, when they would have otherwise been incarcerated. The ministry continues to focus efforts on risk reduction with the goal of preventing an individual's further involvement in criminal activity. The primary method of addressing risk is through rehabilitative opportunities provided to offenders through a number of means in both correctional centres and in the community. The use of the TA Program contributes to an offender's success in the community and allows for appropriate

ministry resource allocation as a result of reduced custody populations. Supervision of offenders on release for 15 days or less is provided by correctional centre staff. Offenders released for more than 15 days are supervised by community corrections staff, are required to report to a probation officer as directed, and receive random telephone calls and home visits conducted by Community Supervision Units to confirm compliance with release conditions. Offenders who fail to comply with any condition of a TA permit may have their permit suspended and be required to return to custody immediately.

The criteria used to determine who should be eligible for a temporary absence is based on best practices and, among other careful considerations, the offender must be low risk to reoffend based on the findings of a risk assessment tool. While predicting future behaviour can never be done with 100 percent certainty, the TA Program provides significant rehabilitative and financial benefits.

Performance Measure 3.b: Percentage of probation officers trained in the use of effective intervention techniques derived from evidence-based principles

Prior Years' Results				Current Result	2017-18 Target
2013-14 Result	2014-15 Result	2015-16 Result	2016-17 Result		
Not Available	Not Available	Not Available	18%	48%	55% of existing staff

Since June 2016, 48 percent of probation officers (177 officers) have been trained in the use of Effective Practices in Community Supervision (EPICS), an evidence-based model for supervising clients using offender Risk, Need, Responsivity (RNR) principles and core correctional practices. This is below the target of 55 percent of probation officers trained, as the number of staff requiring training increased significantly over the past year due to staff attrition, part-time schedules, leaves of absence, and additional office sites.

This measure was included in the 2017-20 ministry business plan as the first step in a staged introduction of a new measure, which will ultimately assess the effectiveness of EPICS practices on client risk. Probation officer training commenced in 2016-17; it is anticipated that EPICS will be fully implemented and all probation officers will be trained by March 31, 2021.

EPICS practices are based on three principles: criminal behaviour can be reliably predicted and treatment should focus on higher risk offenders who are serving community sentences; individual offender criminogenic needs must be considered in the design and delivery of treatment; and, the style and mode of intervention must be matched to the learning style of the offender. EPICS probation officer training focuses on relationship skill development, anti-criminal modeling, structured learning, cognitive restructuring, problem solving, effective reinforcement, and disapproval and use of authority.

The University of Cincinnati Corrections Institute (UCCI) was contracted to deliver EPICS training. UCCI trained and coached four groups of EPICS end-users (118 probation officers and senior probation officers in 2017-18), and is currently training ten staff to be in-house trainers who will provide all future end-user EPICS training sessions. While EPICS implementation is a priority, given budgetary constraints within the ministry, the pace of training may be impacted in the future. Ongoing EPICS training will eventually form part of the Community Correctional Services Induction Training curriculum.

Results Analysis

Performance Measure Methodology

1.a Percentage of *Gladue* reports produced within six weeks of request from Courts

Source: Justice and Solicitor General Administrative Data, Justice Services Division

When the Courts order a *Gladue* report to be prepared, the judicial clerk or the defence counsel submit a standardized request to the Provincial *Gladue* Report Coordinator. The Coordinator reviews the request and establishes a “bring forward date” for completion. The report is assigned to a writer via a contract letter that establishes a completion date. Based on the “bring forward date” the Coordinator monitors the writer’s progress and ensures the report is received and then distributed to the appropriate court jurisdiction. *Gladue* report writers contact the Coordinator if they are unable to locate or establish contact with an accused that they are preparing the report on. Prior to the report completion date, the Coordinator submits a letter to the Court indicating that the *Gladue* report is being returned incomplete and the rationale for why this occurred. The Coordinator has control over all aspects of the report writing process from assignment to dissemination.

The *Gladue* Coordinator is responsible for assigning and distributing all *Gladue* reports and has a mechanism to monthly and annually report on the number of reports completed, number of requests for extension of completion dates for reports, number of reports that could not be completed due to external circumstances (i.e. missing clients, refusal to participate etc.)

1.b Percentage of Albertans who agree that fair and impartial service is provided to prosecute people charged with a crime

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The survey was last conducted in 2016-17 using the methodology described below. The survey was conducted during the month of January 2017. Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 750. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (750 for Justice and Attorney General and 1,200 for Solicitor General and Public Security) were combined. The 2012-13 sample size for this survey question was 2,000 and was kept at 2,000 for 2013-14, 2014-15 and 2016-17. To survey a random and representative sample of adult Albertans, quotas were established based on Statistics Canada’s 2011 Census data and the Government of Alberta’s population projections on Open Data. In each of the six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to their 2011 population estimates. Results are reliable within ± 2.2 percent at the 95 percent confidence level.

1.c Median elapsed time from first to last appearance for a criminal case in Provincial Court and Court of Queen's Bench of Alberta

Source: *Integrated Criminal Court/Adult Criminal Court Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS Juristat publication was available on September 22, 2017.

Median elapsed time from first to last appearance represents the mid-point in elapsed time between first and last appearance for all adult criminal cases processed in provincial and superior court. In Alberta, this is the Provincial Court of Alberta and the Court of Queen's Bench.

Performance data for median elapsed time from first to last appearance is obtained from the Integrated Criminal Court Survey/Adult Criminal Court Survey, CCJS. The ministry provides annual data from the Justice Online Information Network (JOIN) to CCJS' Integrated Criminal Court/Adult Criminal Court Survey through an automated interface. At CCJS, the data is edited, verified, and signed off with the ministry. Information from a number of jurisdictions such as Manitoba, superior courts in Prince Edward Island, Quebec, Ontario, and Saskatchewan, as well as municipal courts in Quebec, are excluded due to the unavailability of data.

A methodology change was introduced by CCJS in 2007-08, which delayed the publication of further results until 2009-10. Therefore, results published in Alberta Justice and Attorney General annual reports prior to 2009-10 are not comparable to results published in the 2017-18 annual report. At the time of annual report publication, the most current results available from CCJS were for 2015-16.

Results published in the 2014-15 and 2016-17 Justice and Solicitor General annual reports have been restated. CCJS has revised the 2011-12 result from 117 days to 121 days to account for cases that were pending at the end of the reference period, had no subsequent activity for a full year and were therefore deemed closed, as per the CCJS published methodology. CCJS revised the 2014-15 result from 107 days to 120 days, and revised Alberta's number of concluded cases from 44,829 to 50,357. The reason for CCJS' restatement was that in processing 2015-16 data, CCJS also received 2014-15 updated data, which included concluded cases in 2014-15 that were pending at the end of the reference period and had no subsequent activity for a year following the final appearance in 2014-15. When processing the 2015-16 data, these cases were therefore deemed complete for the 2014-15 reference period.

1.d Provincial Court lead time to trial for serious and violent matters

Source: Justice and Solicitor General Administrative Data, Alberta Crown Prosecution Service and Resolution and Court Administration Services

Provincial Court lead time to trial for serious and violent matters is the average number of weeks between the date serious and violent cases are set down (scheduled) for trial and the date that the trial or hearing is scheduled to occur, regardless of whether it goes forward on that date. Lead times include serious and violent *Criminal Code* federal charges only. Serious and violent crimes include: sexual offences against children, possession/publishing/creating/distributing/selling of child pornography, criminal negligence, manslaughter, murder, discharging of firearms, administering a noxious thing, dangerous driving, dangerous operation of a motor vehicle, impaired driving causing bodily harm or death, criminal harassment, threats, assault, sexual

assault, kidnapping, human trafficking, robbery with violence/assault/weapon, intimidation, and arson.

The ministry uses data from Justice Business Intelligence Datamart, which pulls its data from Justice Online Information Network (JOIN). Through a query to the Justice Information Management System (JIMS) Datamart, Provincial Court lead-time data is calculated. The time between the date a case is set down (scheduled) for trial and the date that the trial or hearing is scheduled to occur is calculated for each case that involves a serious and violent crime. This calculation is averaged for all cases with serious and violent offences in that year.

2.a Percentage of Albertans who feel safe walking alone in their area after dark

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The survey was last conducted in 2016-17 using the methodology described below. The survey was conducted during the month of January 2017. Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 750. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (750 for Justice and Attorney General and 1,200 for Solicitor General and Public Security) were combined. The 2012-13 sample size for this survey question was 2,000 and was kept at 2,000 for 2013-14, 2014-15, and 2016-17. To survey a random and representative sample of adult Albertans, quotas were established based on Statistics Canada's 2011 Census data and the Government of Alberta's population projections on Open Data. In each of the six geographic regions of the province, the number of interviews in each age-gender segment was proportionate to their 2011 population estimates. Results are reliable within ± 2.2 percent at the 95 percent confidence level.

2.b Percentage of Albertans satisfied with policing in Alberta over the past 12 months

Source: *Alberta Justice and Solicitor General Public Opinion Survey*

Beginning in 2015-16, a biennial survey schedule was adopted with targets and results available every other year. The survey was last conducted in 2016-17 using the methodology described below. The survey was conducted during the month of January 2017. Professionally trained interviewers conduct all interviews. The survey was completed on a computer-assisted telephone interviewing system that allows for ongoing tabulation of results. Ten percent of all interviews were monitored online.

Historically, the sample size for this survey question was 750. With the merger of the former ministries of Justice and Attorney General and Solicitor General and Public Security, the previous survey sample sizes (750 for Justice and Attorney General and 1,200 for Solicitor General and Public Security) were combined. The 2012-13 sample size for this survey question was 2,000 and was kept at 2,000 for 2013-14, 2014-15, and 2016-17. To survey a random and representative sample of adult Albertans, quotas were established based on Statistics Canada's 2011 Census data and the Government of Alberta's population projections on Open Data. In each of the six

geographic regions of the province, the number of interviews in each age-gender segment was proportionate to their 2011 population estimates. Results are reliable within ± 2.2 percent at the 95 percent confidence level.

2.c Percentage of victims satisfied with services provided by employees and volunteers within the criminal justice system

Source: *Justice and Solicitor General, Public Security Division Victim Services Evaluation Survey*

The ministry tracks the satisfaction of individuals who receive services from employees and volunteers within the criminal justice system. The evaluation survey is included in the Financial Benefits Application package and submitted with applications for financial benefits. Victims apply to the financial benefits program on a continual basis throughout the fiscal year and, as a result, the survey data collection timeframe runs for one full fiscal year. Therefore, for the fiscal year 2017-18, data was collected from April 1, 2017 to March 31, 2018. Results are compiled from the responses completed by individuals who choose to respond to this survey at the time they apply to the program. Results are reliable within ± 3.4 percent at the 95 percent confidence level.

The response rate for this survey was 23 percent in 2017-18. The response rate is calculated using the number of Financial Benefit applications received (3,371) and the total number of responses to the survey (766).

Respondents are asked to rate how satisfied they are with the overall service provided by employees and volunteers within the criminal justice system. The survey uses a five-point Likert scale ranging from one (very dissatisfied) to five (very satisfied). The methodology consists of totaling the cumulative score for the responses to this question and dividing by the total number of valid completed responses to the question. The results provide an average score which is then converted to a percentage for consistency with other ministry performance measures.

3.a Percentage of offenders successfully completing their sentence while on temporary absence without incurring new criminal charges

Source: Justice and Solicitor General Administrative Data, Correctional Services Division

Data on temporary absences ended and revoked due to new charges is stored in the correctional service administrative system (Offender Records and Correctional Administration - ORCA). This system provides the ministry with a database of operational statistical information about individuals under the care, custody, and control of the Alberta Correctional Services Division. A query of the correctional service administrative data at the end of the fiscal year produces the information required for this performance measure.

The number of Temporary Absence (TA) Programs ended and the number of temporary absences revoked due to new charges is obtained by analysis of the data extracts produced from the system. The percentage of TA Programs completed successfully is calculated by subtracting the number of temporary absences revoked due to new charges from the number of temporary absences ended in the fiscal year. The result is then divided by the total number of temporary absences ended.

The new offender management system, ORCA, was introduced in February 2013 and replaced the legacy system, Correctional Management Information System (CoMIS). Data on temporary

absences (conditional releases) granted and suspended due to re-offence was stored in the CoMIS until January 2013.

3.b Percentage of probation officers trained in the use of effective intervention techniques derived from evidence-based principles

Source: Justice and Solicitor General Administrative Data, Correctional Services Division

This measure reports on the percentage of probation officers and senior probation officers trained in Effective Practices in Community Supervision (EPICS). The number of Government of Alberta probation officers and senior probation officers in Community Corrections and Release Program Branch, and the Young Offender Branch is extracted from IMAGIS each fiscal year. The number of staff trained each fiscal year is added to the number of staff trained in previous fiscal years to calculate a cumulative total. This result is then divided by the total number of probation officers and senior probation officers.

Performance Indicator Methodology

2.a Crime Rate

Source: *Uniform Crime Reporting Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS CANSIM Table data was available on July 24, 2017.

Crime rate is calculated using Incident-based Uniform Crime Reporting (UCR2) data, which measures police-reported crime in each Canadian jurisdiction. Crime rate measures the volume of police-reported crime, expressed as the number of crimes per 100,000 people. Historical results are revised annually to reflect updated data provided by police services for incidents that occurred in previous years. Property crime includes theft, break-and-enter, fraud and possession of stolen goods. This does not include the use of threat of violence against an individual. Violent crime includes homicide, attempted murder, various forms of sexual assault, robbery and abduction. This does not include traffic incidents that result in death or bodily harm.

2.b Crime Severity Index

Source: *Uniform Crime Reporting Survey*, Canadian Centre for Justice Statistics (CCJS). Data is available annually. CCJS CANSIM Table data was available on July 24, 2017.

The Crime Severity Index (CSI) is a measure of the seriousness of police reported crime. Each criminal offence is weighted based on sentences given. More serious offences such as homicide or serious assault are weighted more heavily than minor thefts and minor assaults. The crime severity index is calculated using Incident-based Uniform Crime Reporting Survey (UCR2) data. For the period from 1998 to 2015 Incident-based UCR2 data are not available for all respondents. In order to report this level of detail for police services still reporting to the Aggregate Uniform Crime Reporting Survey (UCR) over this time, a process of imputation was applied to derive counts for violations that do not exist on their own in the aggregate survey. For approximately 80 percent of the aggregate offence codes, there is a 1:1 mapping with a new incident-based violation code. For violations where this was not the case, such as the aggregate other Criminal Code category, it was necessary to estimate (impute) this figure using the distribution of other Criminal Code offences from existing Incident-based UCR2 respondents.

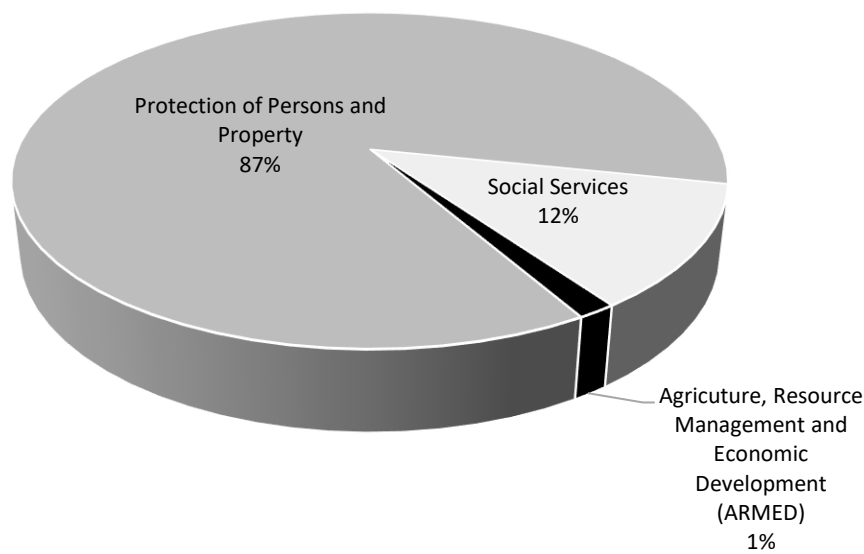
Ministry Expense by Function (in thousands)

Function	2017-18		2016-17
	Budget	Actual	Actual (Restated)
Protection of Persons and Property	\$ 1,239,660	\$ 1,257,743	\$ 1,226,784
Social Services	153,269	172,562	160,373
Agriculture, Resource Management and Economic Development (ARMED)	21,703	21,836	21,568
Total	\$ 1,414,632	\$ 1,452,141	\$ 1,408,725

Protection of Persons and Property includes \$1,257.7 million in expenses for essential services that provide security for Albertans and their property through policing (Royal Canadian Mounted Police services, policing assistance grants to municipalities; sheriffs, and Commercial Vehicle Enforcement Officers), courts' administration and the legal processes, as well as adult and youth correctional centres. This function included in divisions of Public Security, Resolution and Court Administration Services, Alberta Crown Prosecution Service, Justice Services, Legal Services, Correctional Services, Alberta Human Rights, and Ministry Support Services.

Social Services spending of \$172.6 million covers actions taken by the government either alone or in cooperation with Albertans to offset or support the well-being of individuals or families threatened by circumstances beyond their control. This includes ministry services for the Victims of Crime, Motor Vehicle Accident Claims, Legal Aid Alberta and the Office of the Public Guardian and Trustee.

Agriculture Resource Management and Economic Development consists of services related to the conservation and development of natural resources and the development and promotion of agriculture and other sectors of the economy. The ministry's fish and wildlife enforcement functions and \$21.8 million of expense fall under this category.



Financial Information

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED FINANCIAL STATEMENTS
Year Ended March 31, 2018

MINISTRY OF JUSTICE AND SOLICITOR GENERAL

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2018

Independent Auditor's Report

Consolidated Statement of Operations

Consolidated Statement of Financial Position

Consolidated Statement of Change in Net Debt

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

Schedule 1 - Consolidated Revenues

Schedule 2 - Consolidated Credit or Recovery

Schedule 3 - Consolidated Expenses – Directly Incurred Detailed by Object

Schedule 4 - Related Party Transactions

Schedule 5 - Consolidated Allocated Costs

Independent Auditor's Report

To the Members of the Legislative Assembly

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Ministry of Justice and Solicitor General, which comprise the consolidated statement of financial position as at March 31, 2018, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Justice and Solicitor General as at March 31, 2018, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
June 4, 2018
Edmonton, Alberta

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2018**

	2018		2017 (Restated Note 4)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Revenues (Schedule 1)			
Government Transfers			
Federal and Other Government Grants	\$ 36,286	\$ 36,726	\$ 34,876
Premiums, Fees and Licences	55,035	52,894	52,996
Investment Income	995	1,812	968
Other Revenue	270,312	258,027	255,484
	362,628	349,459	344,324
 Expenses - Directly Incurred (Note 2(b) Schedule 3, 4, and 5)			
Programs			
Ministry Support Services	57,091	51,974	54,405
Resolution and Court Administration Services	212,885	213,037	208,243
Legal Services	53,701	53,260	53,999
Alberta Crown Prosecution Service	97,973	96,707	93,031
Support for Legal Aid	81,400	89,300	78,320
Justice Services	77,945	71,981	70,465
Public Security	485,388	510,396	487,659
Correctional Services	280,537	287,126	285,143
Alberta Human Rights	8,412	7,690	8,401
Motor Vehicle Accident Claims	23,641	29,734	28,798
Victims of Crime	35,659	40,936	40,261
	1,414,632	1,452,141	1,408,725
Annual Deficit	\$ (1,052,004)	\$ (1,102,681)	\$ (1,064,401)

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

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018**

	2018		2017	(Restated Note 4)
	<i>(in thousands)</i>			
Financial Assets				
Cash and Cash Equivalents (Note 5)	\$	82,351	\$	74,847
Accounts Receivable (Note 6)		173,732		172,071
Advances		16		20
		<u>256,099</u>		<u>246,938</u>
 Liabilities				
Accounts Payable and Accrued Liabilities (Note 9)		298,354		291,781
Deferred Revenue (Note 10)		2,422		2,517
		<u>300,776</u>		<u>294,298</u>
Net Debt		<u>(44,677)</u>		<u>(47,360)</u>
 Non-Financial Assets				
Tangible Capital Assets (Note 11)		24,372		16,541
 Net Liabilities	\$	<u>(20,305)</u>	\$	<u>(30,819)</u>
 Net Liabilities at Beginning of Year	\$	(30,819)	\$	(621)
Adjustments to Net Assets (Note 20)		-		1,971
Annual Deficit		(1,102,681)		(1,064,401)
Net Financing Provided from General Revenues		1,113,196		1,032,232
Net Liabilities at End of Year	\$	<u>(20,305)</u>	\$	<u>(30,819)</u>

Contingent Assets and Contractual Rights (Notes 7 and 8)

Contingent Liabilities and Contractual Obligations (Notes 12 and 13)

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

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
YEAR ENDED MARCH 31, 2018**

	2018		2017 (Restated Note 4)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual Deficit	\$ (1,052,004)	\$ (1,102,681)	\$ (1,064,401)
Acquisition of Tangible Capital Assets	(5,877)	(4,618)	(3,136)
Amortization of Tangible Capital Assets (Note 11)	15,045	4,810	11,594
Loss on Disposal of Capital Assets		-	75
Write-downs of Tangible Capital Assets		-	443
Transfer (in)/out of Tangible Capital Assets		(8,023)	-
Net Financing Provided from General Revenues		1,113,196	1,032,232
Decrease (Increase) in Net Debt	\$ 2,683	\$ (23,193)	\$ (23,193)
Net Debt at Beginning of Year		(47,360)	(24,167)
Net Debt at End of Year		\$ (44,677)	\$ (47,360)

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

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018**

	2018	2017 (Restated Note 4)
	<i>(in thousands)</i>	
Operating Transactions		
Annual Deficit	\$ (1,102,681)	\$ (1,064,401)
Non-cash Items Included in Net Operating Results		
Amortization of Tangible Capital Assets (Note 11)	4,810	11,594
Loss on Disposal of Tangible Capital Assets	-	75
Write-Downs of Tangible Capital Assets	-	443
Transfer (in)/out of Tangible Capital Assets	(8,023)	-
	<u>(3,213)</u>	<u>12,112</u>
(Increase) Decrease in Accounts Receivable	(1,661)	7,186
Increase in Accounts Payable and Accrued Liabilities	6,573	17,474
(Decrease) in Deferred Revenue	(95)	(41)
Cash Applied to Operating Transactions	<u>(1,101,078)</u>	<u>(1,027,670)</u>
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 11)	(4,618)	(3,136)
Cash Applied to Capital Transactions	<u>(4,618)</u>	<u>(3,136)</u>
Investing Transactions		
Repayment of Advances	4	2
Cash Provided by Investing Transactions	<u>4</u>	<u>2</u>
Financing Transactions		
Net Financing Provided from General Revenues	1,113,196	1,032,232
Cash Provided by Financing Transactions	<u>1,113,196</u>	<u>1,032,232</u>
Increase in Cash and Cash Equivalents	\$ 7,504	\$ 1,612
Cash and Cash Equivalents at Beginning of Year	74,847	73,235
Cash and Cash Equivalents at End of Year	<u>\$ 82,351</u>	<u>\$ 74,847</u>

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

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE 1 AUTHORITY AND PURPOSE

The Minister of Justice and Solicitor General operates under the authority of the *Government Organization Act* and its regulations, and has been designated responsibilities for various acts. Below are the organizations that form the Ministry of Justice and Solicitor General and the authority under which each organization operates.

Organization	Authority
Department of Justice and Solicitor General	<i>Government Organization Act</i>
Human Rights Education and Multiculturalism Fund	<i>Alberta Human Rights Act</i>
Victims of Crime Fund	<i>Victims of Crime Act</i>
Office of the Public Guardian And Trustee	<i>Adult Guardianship and Trusteeship Act/ Public Trustee Act/Personal Directive Act</i>

The Ministry's purpose is to lead a fair and innovative justice system, ensure effective policing and support victims of crime.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Reporting Entity and Method of Consolidation

The reporting entity is the ministry for which the Minister of Justice and Solicitor General is accountable. The accounts of the Department of Justice and Solicitor General, the Human Rights Education and Multiculturalism Fund, and the Victims of Crime Fund are fully consolidated on a line-by-line basis with the accounting policies described below.

The Office of the Public Guardian and Trustee administers client trust and estates as required under the *Public Trustee Act*. As a trust fund, the accounts are not consolidated.

The accounts of government sector entities, except those designated as government business enterprises, are consolidated using the line-by-line method. Under this method, accounting policies of the consolidated entities are adjusted to conform to government accounting policies and the results of each line item in their financial statements (revenue, expense, assets and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting except for payments on Motor Vehicle Accident Claims judgment debts and Maintenance Enforcement fees, penalties and subrogated revenues, which are recorded when received. Revenues for Motor Vehicle Accident Claims fees are reported when the service has been rendered. Fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment.

Government Transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers and the associated externally restricted investment income are recognized as deferred revenue if the eligibility criteria for use of the transfer, or the stipulations together with the ministry's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the ministry complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the ministry meets the eligibility criteria (if any).

Deferred Revenue

Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the ministry may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the ministry's credit or recovery initiatives.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(b) Basis of Financial Reporting (Cont'd)

Expenses

Directly Incurred

Directly incurred expenses are those costs the ministry has primary responsibility and accountability for, as reflected in the government's budget documents.

Grant Expense

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which are the cost of employer contributions for current service of employees during the year;
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime, guarantees and indemnities;
- transfer of tangible capital assets to other ministries.

Incurred by Others

Services contributed by other related entities in support of the ministry's operations are not recognized but disclosed in Schedule 5.

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 cash and cash equivalents, accounts receivable, advances, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

Financial 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 ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Accounts Receivable

Accounts receivable are recorded at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(b) Basis of Financial Reporting (Cont'd)

Liabilities

Liabilities are present obligations of the ministry to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets of the ministry are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the ministry are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged when the tangible capital asset is put into service.

When tangible capital assets are gifted or sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind. Unrealized gains and losses on transfers to controlled entities are eliminated on consolidation.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

(in thousands)

The areas subject to measurement uncertainty include:

- Accounts receivable recorded as \$173,732 (2017 - \$172,071) include fines of \$101,291 (2017 - \$100,451). Accounts receivable excludes certain outstanding federal statute and provincial statute fines that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the fine. Outstanding fines expected to be satisfied by other means of \$15,966 (2017 - \$16,033) are based on the actual percentage satisfied in this manner from April 1, 2017 to March 31, 2018 and have been deducted from total outstanding fines. Changes in the proportion of fines satisfied by other means may have a material effect on future operating results.
- Provision for doubtful accounts, recorded as \$14,907 (2017 - \$12,654), is based on the actual percentage of fines written off from April 1, 2017 to March 31, 2018 and the assumption that the total receivable for Abandoned and Seized Vehicles as of March 31, 2018 will not be collected.
- Accounts payable and accrued liabilities, recorded as \$298,354 (2017 - \$291,781 restated), include an estimate of \$62,649 (2017 - \$60,068) for unsettled claims under the Motor Vehicle Accident Claims Program based on a calculated settlement value per claim. Changes to the settlement value may have a material effect on future operating results (Note 14). Accrued liabilities also include an estimate of \$14,743 (2017 - \$15,267) for financial benefits, \$10,667 (2017 - \$10,862) for supplemental financial benefits, and \$5,479 (2017 - \$6,043) for compensation claims under the Victims of Crime Fund (Note 15).

(c) Change in Accounting Policy

The ministry has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Note 7; Note 8, Note 19, Note 20, Schedule 3, Schedule 4, and Schedule 5.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 3 FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of: PS 2601, Foreign Currency Translation; PS 1201, Financial Statement Presentation; and PS 3041, Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement, and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 4 GOVERNMENT REORGANIZATIONS
(in thousands)

Effective April 1, 2017, responsibility for the Alberta First Responders Radio Communication System (AFRRCS) was transferred to the Ministry of Service Alberta.

Effective April 1, 2017, responsibility for the Communications and Public Engagement was transferred to the Ministry of Treasury Board and Finance.

Comparatives for 2017 have been restated as if the Ministry has always been assigned with its current responsibilities.

Net Assets (Net Liabilities) and Net Debt on April 1, 2016 are made up as follows:

	As Previously Reported	Transfer to Treasury Board and Finance	Transfer to Service Alberta	As Restated
Revenues	\$ 352,751	\$ -	\$ (8,427)	\$ 344,324
Expenses	1,457,603	(1,333)	(47,545)	1,408,725
Annual Deficit	\$ (1,104,852)	\$ 1,333	\$ 39,118	\$ (1,064,401)
Net Financing Provided from General Revenues	1,064,694	(1,348)	(31,114)	1,032,232
Adjustment to Net Assets (Note 20)	1,971	-	-	1,971
Net Assets (Net Liabilities) at April 1, 2016	367,014	119	(367,754)	(621)
Net Assets (Net Liabilities) at March 31, 2017	\$ 328,827	\$ 104	\$ (359,750)	\$ (30,819)
Net Debt at April 1, 2016	\$ (24,647)	\$ 119	\$ 361	\$ (24,167)

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 5 CASH AND CASH EQUIVALENTS

(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is managed by the Ministry of Treasury Board and Finance 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 securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by CCITF have a time weighted return of 1.1% (2017 – 0.89%) per annum. Of the \$82,351 (2017 - \$74,847) in Cash and Cash Equivalents, \$76,382 (2017 - \$70,471) and \$3,721 (2017 - \$3,530) relate to the Victims of Crime Fund and the Human Rights Education and Multiculturalism Fund, respectively, and can only be used for expenses related to those funds. Due to the short-term nature of CCITF investment, the carrying value approximates fair value.

NOTE 6 ACCOUNTS RECEIVABLE

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018				2017
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated Note 4)
Government of Canada	\$ 13,118	\$ -	\$ -	\$ 13,118	\$ 13,701
Fines - Provincial	33,299	3,705	4,576	25,018	26,541
Fines – Federal	20,996	4,080	3,336	13,580	13,771
Ticket Processing	40,096	1,289	1,658	37,149	34,902
Fines – Late Payment Penalty	32,619	-	2,128	30,491	28,664
Surcharge	33,697	6,892	1,261	25,544	25,237
Other	30,780	-	1,948	28,832	29,255
	\$ 204,605	\$ 15,966	\$ 14,907	\$ 173,732	\$ 172,071

NOTE 7 CONTINGENT ASSETS

(in thousands)

Fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment. At March 31, 2018, the estimate of contingent assets for fine revenues is \$28,283 (2017 - \$29,473).

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 8 CONTRACTUAL RIGHTS
(in thousands)

Contractual rights are rights of the ministry to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

As at March 31, 2018, the ministry has contractual rights under contracts and agreements totaling \$11,455 (2017 - \$33,424).

Estimated amounts that will be received or receivables for each of the next four years are as follows:

Rights Under Contracts and Agreements

	Total
2018-19	\$ 6,792
2019-20	3,191
2020-21	1,262
2021-22	210
	\$ 11,455

NOTE 9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

	2018	2017 (Restated Note 4)
PPSA Service Agreement	\$ 64,327	\$ 63,734
Motor Vehicle Accident Claim (Note 14)	62,649	60,068
Financial Benefits Program (Note 15)	30,889	32,172
Other Program Expenses	140,489	135,807
	\$ 298,354	\$ 291,781

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 10 DEFERRED REVENUE
(in thousands)

	2018	2017
Balance at Beginning of Year	\$ 2,517	\$ 2,558
Cash Contributions Received/Receivable During Year	3,149	2,524
Less: Amounts Recognized as Revenue	(3,244)	(2,565)
Balance at End of Year	<u>\$ 2,422</u>	<u>\$ 2,517</u>

The end of year balance includes deferred revenue of \$1,549 (2017 - \$1,617) for motor vehicle accident claim fees collected pursuant to the *Motor Vehicle Accident Claims Act*, \$835 (2017 - \$847) for fees and licenses collected pursuant to the *Security Services and Investigators Act*, \$36 (2017 - \$48) for the Forensic and DNA Research program and \$2 (2017 - \$5) for Enhanced Police Agreement.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 11 TANGIBLE CAPITAL ASSETS
(in thousands)

	Equipment⁽¹⁾	Computer Hardware and Software	Work in Progress⁽²⁾	2018 Total	2017 Total (Restated Note 4)
Estimated Useful Life	3 - 40 years	3 -10 years			
Historical Cost					
Beginning of Year	\$ 33,780	\$ 117,301	\$ 3,313	\$ 154,394	\$ 151,651
Additions	1,620	1,867	1,131	4,618	3,136
Recategorization ⁽³⁾	-	454	(454)	-	-
Transfer-In /(Out)	71	-	8,012	8,083	1,099
Disposals, Including Write-downs	(571)	(23)	-	(594)	(1,492)
	<u>34,900</u>	<u>119,599</u>	<u>12,002</u>	<u>166,501</u>	<u>154,394</u>
Accumulated Amortization					
Beginning of Year	28,147	109,706	-	137,853	128,105
Amortization Expense	1,448	3,362	-	4,810	11,594
Transfer-In /(Out)	60	-	-	60	(872)
Effect of Disposals	(571)	(23)	-	(594)	(974)
	<u>29,084</u>	<u>113,045</u>	<u>-</u>	<u>142,129</u>	<u>137,853</u>
Net Book Value at March 31, 2018	<u>\$ 5,816</u>	<u>\$ 6,554</u>	<u>\$ 12,002</u>	<u>\$ 24,372</u>	
Net Book Value at March 31, 2017	<u>\$ 5,633</u>	<u>\$ 7,595</u>	<u>\$ 3,313</u>	<u>\$</u>	<u>16,541</u>

(1) Equipment includes vehicles, office furnishings and other equipment.

(2) Work in progress includes \$10,245 (2017 - \$2,087) for the One Information Management Technology (One IMT) project; \$1,757 (2017 - \$772) for Telephony System and other projects.

(3) Recategorization is for Alberta Victim Assistance Tracking and Reporting (AVATAR) system that was operational in April.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 12 CONTINGENT LIABILITIES

(in thousands)

Litigations

The ministry is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2018, accruals totaling \$nil (2017 - \$nil) have been recorded as a liability. The total amount claimed for all likely claims is \$8,024 (2017 - \$897,604). Included in the total likely claims are claims covered in whole by the Alberta Risk Management Fund. The resulting additional liability, if any, from likely claims in excess of the amounts accrued is not determinable.

The ministry has been named in one hundred and fifty two (2017 - one hundred and sixty one) claims of which the outcome is not determinable. Of these claims, one hundred and twenty nine (2017 - one hundred and forty eight) have specified amounts totaling \$937,421 (2017 - \$132,841). The remaining twenty three (2017 - thirteen) claims have no amounts specified. Included in the total claims, one hundred and fourteen claims totaling \$664,828 (2017 - one hundred and thirty nine claims totaling \$116,362) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Based on the *Public Trustee Act*, the amount outstanding on a client's guaranteed account as administered by the Office of the Public Guardian and Trustee (OPGT) is a charge against the Common Fund Assets of the Public Trustee and is unconditionally guaranteed by the Crown. As at March 31, 2018, based on the financial statements of the OPGT, the outstanding balance of the Client Guaranteed Accounts is \$433,309 (2017 - \$432,376).

Within the provision of the *Public Trustee Act*, the OPGT remits unclaimed estate monies, which is reported as general revenue of the ministry. If entitled beneficiaries are subsequently located, previously unclaimed estate monies are distributed to the beneficiaries.

Others

The Government of Alberta (GoA) provides funding to the Legal Aid Society of Alberta (LAA) based on the Governance Agreement to ensure low-income Albertans have access to legal services in criminal and civil matters. Under the terms of the agreement, the Ministry may be contingently liable for the cost to complete outstanding certificates upon termination of the agreement. At March 31, 2018, the LAA estimates \$28,705 (2017 - \$29,875) that will be incurred on approximately 22,240 (2017 - 30,300) outstanding certificates issued to the private bar and the LAA staff counsel over and above both the billings paid to date and work performed but not yet billed. Due to the uncertainty involved in the estimate process, there will likely be a difference between the estimated and actual costs to complete outstanding certificates and the difference may be material.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 12 CONTINGENT LIABILITIES (Cont'd)
(in thousands)

The Provincial Police Service Agreement (PPSA) with the Government of Canada is a contract for the Royal Canadian Mounted Police (RCMP) to provide provincial policing services. Under the terms of the contract, the Ministry may be contingently liable for the deferred contribution amount of construction buildings used as detachments. The agreement can be terminated with a two year notice served on March 31 in any year. Due to the uncertainty in process, a contingent liability may arise. At March 31, 2018, the amount is not significant.

NOTE 13 CONTRACTUAL OBLIGATIONS
(in thousands)

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

As at March 31, 2018, the ministry has contractual obligations under operating leases, contracts, and programs totaling \$1,207,499 (2017 - \$1,124,184 restated). This includes a commitment for the Provincial Police Service Agreement (PPSA) of \$798,111 (2017 - \$719,254). The PPSA with the Government of Canada is a contract for the Royal Canadian Mounted Police (RCMP) to provide policing services to small communities and rural areas in Alberta. Under the terms of the agreement, Alberta may terminate the agreement with a two year notice served on March 31 in any year.

Estimated payment requirements for each of the next five years and thereafter are as follows:

<u>Obligations Under Operating Leases, Contracts and Programs</u>	
	<u>Total</u>
2018-19	\$ 531,004
2019-20	374,522
2020-21	294,831
2021-22	5,901
2022-23	832
Thereafter	409
	<u>\$ 1,207,499</u>

NOTE 14 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM
(in thousands)

Personal Injury Settlements

The Motor Vehicle Accident Claims Program is a publicly administered program that pays for judgments arising from motor vehicle accidents involving uninsured or unidentified vehicles in Alberta. The program operates under the authority of the *Motor Vehicle Accident Claims Act*. The *Act* states that in order for claimants involved in motor vehicle accidents with uninsured or unidentified vehicles to be entitled to compensation, the Minister of Justice and Solicitor General must receive a court judgment. In accordance with the *Act*, liabilities for personal injury claims are accrued when a court ordered judgment is received.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 14 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM (Cont'd)
(in thousands)

At March 31, 2018, accrued liabilities for motor vehicle accident claims for which a court order was received amounted to \$nil (2017 - \$247), which are included in the total program expenditures of \$29,734 (2017 - \$28,798). There were one thousand and thirty five unsettled motor vehicle accident claims under this program at March 31, 2018 (2017 - one thousand and forty six claims) amounting to \$173,397 (2017 - \$226,157). Of these unsettled claims, it was estimated that approximately \$59,453 (2017 - \$56,776) may arise from court ordered judgments, to be received, and have been recorded as a liability.

Supplementary Medical and Rehabilitation Expenses

The estimated liability for supplementary medical and rehabilitation expenses on approved applications filed up to March 31, 2018, is \$3,196 (2017 - \$3,293) and has been recorded as a liability. As at March 31, 2018, the maximum amount that may be payable to or on behalf of entitled applicants pursuant to the limits set in Section 17 of the *Motor Vehicle Accident Claims Act* was approximately \$7,441 (2017 - \$7,753).

NOTE 15 FINANCIAL BENEFITS PROGRAM
(in thousands)

Financial Benefits

As at March 31, 2018, there were one thousand nine hundred twenty four (2017 - two thousand two hundred fifty one) active applications for financial benefits.

Financial Benefits liability of \$14,743 (2017 - \$15,267) is estimated based on historical decision patterns, average award values, and case progress at year end. Additional information may be required to determine the amount for individual cases under regulations of the *Victims of Crime Act*.

Supplemental Benefits

As at March 31, 2018, twenty three (2017 - twenty three) eligible recipients received a monthly payment of \$1,000 for supplemental benefits.

Supplemental benefits liability of \$10,667 (2017 - \$10,862) is estimated using a projection of monthly payments and statistical life expectancy figures. In addition, a present-value methodology has also been applied in calculating this estimated liability. This methodology projects benefit cost streams into the future and discounts them to present-value using a discount rate which reflects the current return on assets used to fund the liability. The injuries of a recipient receiving a supplemental financial benefit must be reviewed every 12 months to determine whether the severity of injuries is still in accordance with regulations under the *Victims of Crime Act*.

MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 15 FINANCIAL BENEFITS PROGRAM (Cont'd)

(in thousands)

Former Crimes Compensation Board

As at March 31, 2018, twenty eight (2017 - twenty eight) eligible recipients received a monthly payment for compensation claims, assumed from the former Crimes Compensation Board.

Compensation claims liability of \$5,479 (2017 - \$6,043) is estimated using a projection of monthly payments and statistical life expectancy figures. The same present-value methodology described above for supplemental benefits has been used to calculate this estimated liability. The payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount.

NOTE 16 BENEFIT PLANS

(in thousands)

The ministry participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP), Public Service Pension Plan (PSPP), and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contributions of \$73,755 for the year ended March 31, 2018 (2017 - \$79,277). Ministries are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the MEPP reported a surplus of \$866,006 (2016 – surplus \$402,033), the PSPP reported a surplus of \$1,275,843 (2016 – surplus \$302,975) and the SRP reported a deficiency of \$54,984 (2016 – deficiency \$50,020).

The ministry participates in the Provincial Judges and Masters in Chambers Pension Plan. The expenses for this pension plan are \$12,134 for the year ended March 31, 2018 (2017 - \$15,775).

The ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$111,983 (2017 – surplus \$101,515) and the Management, Opted Out and Excluded Plan a surplus of \$29,805 (2017 – surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 17 TRUST FUNDS UNDER ADMINISTRATION
(in thousands)

The ministry administers trust funds that are regulated funds and other consisting of public money over which the legislature has no power of appropriation. Because the province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the ministry's financial statements.

As at March 31, 2018 trust funds under administration were as follows:

	<u>2018</u>	<u>2017</u>
Various Court Offices and Fines Distribution Trust ⁽¹⁾	\$ 154,343	\$ 166,716
Maintenance Enforcement Trust ⁽²⁾	12,830	11,657
Civil Law Trust ⁽³⁾	13,053	11,534
Institutional Trust ⁽⁴⁾	1,233	1,205
Public Trustee, Estates and Trusts ⁽⁵⁾	604,666	606,491
	<u>\$ 786,125</u>	<u>\$ 797,603</u>

- (1) The various court offices receive and disburse payments for fines, bail and other payments involving civil litigants. Trust fund disbursement exceeded trust fund receipts in 2018 by \$12,373 (2017 - trust fund receipts exceeded trust fund disbursements by \$5,885).
- (2) The Maintenance Enforcement Program receives and disburses court ordered maintenance and child support. Trust receipts exceeded trust fund disbursements in 2018 by \$1,173 (2017 – trust fund receipts exceeded trust fund disbursements by \$869).
- (3) The Civil Law Trust is comprised of civil law funds held in trust and monies collected under the *Victims Restitution and Compensation Payment Act*. Total funds held in trust at March 31, 2018 included \$184 (2017 - \$206) of civil law funds and \$12,999 (2017 - \$11,333) of *Victims Restitution and Compensation Payment Act* funds. Trust fund receipts exceeded trust fund disbursements in 2018 by \$1,519 (2017 - \$2,105).
- (4) Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2018, the amount of the trust funds held under administration was \$1,233 (2017 - \$1,205) which was comprised of inmate trust funds of \$540 (2017 - \$503) and inmate welfare fund equity of \$693 (2017 - \$702).
- (5) The Office of the Public Guardian and Trustee administers the estates of dependent adults, decedents and minors. A more comprehensive accounting can be found in the Office of the Public Guardian and Trustee, Estates and Trusts Financial Statements.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 18 PAYMENTS UNDER AGREEMENT
(in thousands)

The ministry has entered into agreements to deliver programs and services that are fully funded by the Government of Northwest Territories (GNWT), the Government of Nunavut (GN), the Government of Saskatchewan (GS), the Government of Canada (GC), and the Government of Yukon Territory (Yukon). Costs under these agreements are incurred by the ministry under authority in Section 25 of the *Financial Administration Act*. Accounts receivable includes \$36 (2017 - \$25) from the GNWT, \$19 (2017 - \$25) from the GN, \$nil (2017 - \$9) from the GS, \$76 (2017 - \$73) from the GC, and \$31 (2017 - \$38) from Yukon relating to payments under agreement.

The agreements with the GNWT, the GN and the GS are for services provided by the Medical Examiner's Office. Services include examination of remains, medico-legal autopsy, toxicology analysis, and expert testimony in court or at a coroner's inquest.

The agreement with the GC is for enhanced French language training in order to prepare Alberta Provincial Court judges to sit on the Itinerant Francophone Provincial Court Bench.

The agreement with the Yukon is for the purpose of conducting investigations of Serious Incidents respecting members of the Territorial Police Service.

Amounts paid and payable under agreements with program sponsors are as follows:

	2018	2017
Medical Examiner Services – GNWT	\$ 91	\$ 149
Medical Examiner Services – GN	47	46
Medical Examiner Services- GS	10	12
Motor Vehicle Accident Claim	149	224
Territorial Police Services - Yukon	212	169
	<u>\$ 509</u>	<u>\$ 600</u>

The ministry has also entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of the Department of Justice Canada (Justice Canada). Proceeds received from Justice Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the ministry under authority in Section 25 of the *Financial Administration Act*. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements. For the year ended March 31, 2018, amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement are \$2,565 (2017 - \$2,832) and are reflected in the Statement of Financial Position.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 19 ADMINISTRATION OF PROGRAMS/PROJECTS ON BEHALF OF OTHER MINISTRIES
(in thousands)

The ministry administers two programs on behalf of other ministries under different memorandums of understanding (MOU). The details of those programs that are under administration and the expenses incurred by the ministry are as follows:

Ministries	Date MOU Entered into	Descriptions	2018	2017
Ministry of Indigenous Relations	1-Apr-13	Service Agreement for Alberta/Metis Settlements	\$ 1,027	\$ 1,177
Ministry of Agriculture and Forestry	12-Feb-16	Enhanced Policing for Livestock Investigations	\$ 267	\$ 308
			<u>\$ 1,294</u>	<u>\$ 1,485</u>

NOTE 20 ADJUSTMENTS TO NET ASSETS
(in thousands)

The reconciliation of adjustments to net assets is as follows:

	2018	2017
Non-Grant Transfer of Tangible Capital Asset from other Government Departments/Entities	\$ -	\$ 1,971

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 21 SUBSEQUENT EVENTS
(in thousands)

Effective April 1, 2018, the government consolidated following functions/services:

- Human Resource (HR) functions under the Public Service Commission within the Department of Treasury Board and Finance.
- Freedom of Information and Protection of Privacy (FOIP) delivery services under the Department of Service Alberta.
- Information Management and Technology (IMT) services under the Department of Service Alberta.

The estimated financial effect of the transfer on the Statement of Operations in 2018-19 is as follows:

	2018-19		
	HR	FOIP	IMT
Revenue	\$ -	\$ 11	\$ -
Operating Expenses	\$ 7,545	\$ 1,957	\$ 24,382
Capital Investment	\$ -	\$ 7	\$ 670

The estimated financial effect on the Statement of Financial Position may be significant but is uncertain at this stage.

NOTE 22 COMPARATIVE FIGURES

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

NOTE 23 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approved these financial statements.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED REVENUES
YEAR ENDED MARCH 31, 2018**

	2018		2017 (Restated Note 4)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Government Transfers			
Federal Government Grants			
Youth Justice Program	\$ 14,951	\$ 14,939	\$ 14,960
Legal Aid	13,336	13,315	12,393
Other	7,999	8,472	7,523
	<u>36,286</u>	<u>36,726</u>	<u>34,876</u>
Premiums, Fees and Licences			
Motor Vehicle Accident Claims Fees	23,700	22,496	22,447
Court Fees	22,419	21,145	23,379
Security Services and Investigator Fees	1,800	1,589	1,665
Other	7,116	7,664	5,505
	<u>55,035</u>	<u>52,894</u>	<u>52,996</u>
Investment Income	<u>995</u>	<u>1,812</u>	<u>968</u>
Other Revenue			
Fines	140,007	124,467	128,641
Surcharges	49,000	45,229	48,198
Fines - Late Payment Penalty	36,000	35,499	36,202
Maintenance Enforcement Program	17,377	15,062	13,996
Recoveries for Enhanced Policing Services	7,820	7,519	7,533
Motor Vehicle Accident Recoveries	6,600	7,455	7,389
Transfer of Capital Assets	1,400	8,168	-
Miscellaneous	12,108	14,628	13,525
	<u>270,312</u>	<u>258,027</u>	<u>255,484</u>
Total Revenues	<u>\$ 362,628</u>	<u>\$ 349,459</u>	<u>\$ 344,324</u>

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED CREDIT OR RECOVERY
YEAR ENDED MARCH 31, 2018**

	2018			
	Authorized	Actual Revenue Recognized	Total Revenue Received/ Receivable	(Shortfall)/ Excess
	<i>(in thousands)</i>			
Maintenance Enforcement ⁽²⁾	\$ 8,277	\$ 5,781	\$ 5,781	\$ (2,496)
Provincial Civil Claims ⁽³⁾	1,200	1,360	1,360	160
Ticket Processing ⁽⁴⁾	42,030	42,030	42,030	-
Edmonton Regional Airport Authority ⁽⁵⁾	3,540	3,763	3,763	223
	<u>\$ 55,047</u>	<u>\$ 52,934</u>	<u>\$ 52,934</u>	<u>\$ (2,113)</u> ⁽¹⁾

This Schedule is to demonstrate compliance with Section 24(3) of the Financial Administration Act.

- (1) The revenue of each credit or recovery is included in the Statement of Operations and Schedule 1.
- (2) Maintenance Enforcement revenues represent deterrent penalties and service fees to promote timely payment of maintenance to improve and expand services available for clients.
- (3) Provincial Civil Claims revenues represent funding from fees levied to commence action in excess of seven thousand five hundred dollars in Provincial Court. These revenues are dedicated towards the costs of processing these claims.
- (4) Ticket Processing revenues represent the Province's share of *Traffic Safety Act* ticket revenue used to fund expenses incurred in processing and handling violation tickets issued under the *Traffic Safety Act*.
- (5) Edmonton Regional Airport Authority revenues are received on a full cost recovery basis from the Edmonton Regional Airport Authority for policing services provided to the Edmonton International Airport under the Provincial Police Service Agreement.

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
YEAR ENDED MARCH 31, 2018**

	2018		2017 (Restated Note 4)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 770,437	\$ 761,360	\$ 756,830
Supplies and Services	377,103	401,096	373,391
Grants	228,894	245,181	223,976
Amortization of Tangible Capital Assets	15,045	4,810	11,594
Other	23,153	39,694	42,934
Total Expenses	\$ 1,414,632	\$ 1,452,141	\$ 1,408,725

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
RELATED PARTY TRANSACTIONS
YEAR ENDED MARCH 31, 2018**

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in the ministry and their close family members.

The ministry and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses 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 ministry had the following transactions with related parties reported on the Consolidated Statement of Operations and the Consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	<u>Other Entities</u>	
	<u>2018</u>	<u>2017</u>
	<i>(in thousands)</i>	
Revenues		
Energy	\$ 308	\$ 308
Service Alberta	8,158	-
Environment and Parks	11	-
	<u>\$ 8,477</u>	<u>\$ 308</u>
Expenses – Directly Incurred		
Service Alberta	\$ 12,871	\$ 11,354
Other Services	2,152	1,403
	<u>\$ 15,023</u>	<u>\$ 12,757</u>
Receivable from	<u>\$ 66</u>	<u>\$ 2,151</u>
Contractual Obligations	<u>\$ 633</u>	<u>\$ 715</u>

The ministry 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 reported in the consolidated financial statements. Revenues are disclosed as follows and expenses are included in Schedule 5.

	<u>Other Entities</u>	
	<u>2018</u>	<u>2017</u>
	<i>(in thousands)</i>	
Revenues		
Legal Services	<u>\$ 43,057</u>	<u>\$ 44,027</u>

**MINISTRY OF JUSTICE AND SOLICITOR GENERAL
CONSOLIDATED ALLOCATED COSTS
YEAR ENDED MARCH 31, 2018**

Program	2018				2017
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Business Services ⁽³⁾	Total Expenses	Total Expenses (Restated Note 4)
	<i>(in thousands)</i>				
Ministry Support Services	\$ 51,974	\$ 6,103	\$ 20,873	\$ 78,950	\$ 81,291
Resolution and Court Administration Services	213,037	58,008	-	271,045	265,308
Legal Services	53,260	2,610	-	55,870	56,552
Alberta Crown Prosecution Service	96,707	7,541	-	104,248	100,431
Support for Legal Aid	89,300	168	-	89,468	78,496
Justice Services	71,981	6,955	-	78,936	77,015
Public Security	510,396	18,253	-	528,649	504,786
Correctional Services	287,126	61,954	-	349,080	346,010
Alberta Human Rights	7,690	1,159	-	8,849	9,264
Motor Vehicle Accident Claims	29,734	302	-	30,036	29,094
Victims of Crime Fund	40,936	357	-	41,293	40,610
	<u>\$ 1,452,141</u>	<u>\$ 163,410</u>	<u>\$ 20,873</u>	<u>\$ 1,636,424</u>	<u>\$ 1,588,857</u>

(1) Expenses - Directly Incurred as per Consolidated Statement of Operations.

(2) Accommodation Costs, including grants in lieu of taxes, allocated by square metres.

(3) Business Services Costs, including charges for IT support, internal audit services and other services, allocated by costs in certain programs.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL

Financial Statements

Year Ended March 31, 2018

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL

Financial Statements

Year Ended March 31, 2018

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Debt

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Revenues

Schedule 2 - Credit or Recovery

Schedule 3 - Expenses – Directly Incurred Detailed by Object

Schedule 4 - Lapse/Encumbrance

Schedule 5 - Lottery Fund Estimates

Schedule 6 - Salary and Benefits Disclosure

Schedule 7 - Related Party Transactions

Schedule 8 - Allocated Costs

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of Justice and Solicitor General, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net debt 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 Department of Justice and Solicitor General as at March 31, 2018, and the results of its operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
June 4, 2018
Edmonton, Alberta

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF OPERATIONS
Year ended March 31, 2018

	2018		2017 (Restated Note 3)
	Budget	Actual	Actual
<i>(in thousands)</i>			
Revenues (Schedule 1)			
Government Transfers			
Federal and Other Government Grants	\$ 35,538	\$ 35,628	\$ 34,319
Premiums, Fees and Licences	54,960	52,830	52,954
Investment Income	395	959	387
Other Revenue	221,927	212,696	207,126
	<u>312,820</u>	<u>302,113</u>	<u>294,786</u>
Expenses - Directly Incurred (Note 2(a) Schedule 3, 4, 7 and 8)			
Programs			
Ministry Support Services	57,091	51,974	54,405
Resolution and Court Administration Services	212,885	213,037	208,243
Legal Services	53,701	53,260	53,999
Alberta Crown Prosecution Service	97,973	96,707	93,031
Support for Legal Aid	81,400	89,300	78,320
Justice Services	77,945	71,981	70,465
Public Security	485,388	510,396	487,659
Correctional Services	280,537	287,126	285,143
Alberta Human Rights	8,879	8,344	8,364
Motor Vehicle Accident Claims	23,641	29,734	28,798
	<u>1,379,440</u>	<u>1,411,859</u>	<u>1,368,427</u>
Annual Deficit	<u>\$ (1,066,620)</u>	<u>\$ (1,109,746)</u>	<u>\$ (1,073,641)</u>

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

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF FINANCIAL POSITION
As at March 31, 2018**

	2018	2017 (Restated Note 3)
	<i>(in thousands)</i>	
Financial Assets		
Cash and Cash Equivalents	\$ 2,248	\$ 846
Accounts Receivable (Note 4)	142,385	141,672
Advances	16	20
	<u>144,649</u>	<u>142,538</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	262,188	255,569
Deferred Revenue (Note 8)	2,422	2,517
	<u>264,610</u>	<u>258,086</u>
Net Debt	<u>(119,961)</u>	<u>(115,548)</u>
Non-Financial Assets		
Tangible Capital Assets (Note 9)	23,940	16,077
Net Liabilities	<u>\$ (96,021)</u>	<u>\$ (99,471)</u>
Net Liabilities at Beginning of Year	\$ (99,471)	\$ (60,033)
Adjustments to Net Assets (Note 17)	-	1,971
Annual Deficit	(1,109,746)	(1,073,641)
Net Financing Provided from General Revenues	1,113,196	1,032,232
Net Liabilities at End of Year	<u>\$ (96,021)</u>	<u>\$ (99,471)</u>

Contingent Assets and Contractual Rights (Note 5 and 6)

Contingent Liabilities and Contractual Obligations (Note 10 and 11)

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

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF CHANGE IN NET DEBT
Year ended March 31, 2018**

	2018		2017 (Restated Note 3)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual Deficit	\$ (1,066,620)	\$ (1,109,746)	\$ (1,073,641)
Acquisition of Tangible Capital Assets	(5,852)	(4,618)	(3,136)
Amortization of Tangible Capital Assets (Note 9)	14,976	4,778	11,592
Loss on Disposal of Capital Assets		-	75
Write-downs of Tangible Capital Assets		-	443
Transfer (in)/out of Tangible Capital Assets		(8,023)	-
Net Financing Provided from General Revenues		1,113,196	1,032,232
(Increase) in Net Debt	\$	(4,413)	\$ (32,435)
Net Debt at Beginning of Year		(115,548)	(83,113)
Net Debt at End of Year	\$	(119,961)	\$ (115,548)

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

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
STATEMENT OF CASH FLOWS
Year ended March 31, 2018

	2018	2017 (Restated Note 3)
	<i>(in thousands)</i>	
Operating Transactions		
Annual Deficit	\$ (1,109,746)	\$ (1,073,641)
Non-cash Items Included in Annual Deficit		
Amortization of Tangible Capital Assets (Note 9)	4,778	11,592
Loss on Disposal of Tangible Capital Assets	-	75
Write-Downs of Tangible Capital Assets	-	443
Transfer (in)/out of Tangible Capital Assets	(8,023)	-
	<u>(3,245)</u>	<u>12,110</u>
(Increase) Decrease in Accounts Receivable	(713)	9,397
Increase in Accounts Payable and Accrued Liabilities	6,619	9,969
(Decrease) in Deferred Revenue	(95)	(41)
Cash (Applied to) Operating Transactions	<u>(1,107,180)</u>	<u>(1,042,206)</u>
Capital Transactions		
Acquisition of Tangible Capital Assets (Note 9)	(4,618)	(3,136)
Cash Applied to Capital Transactions	<u>(4,618)</u>	<u>(3,136)</u>
Investing Transactions		
Repayment of Advances	4	2
Cash Provided by Investing Transactions	<u>4</u>	<u>2</u>
Financing Transactions		
Net Financing Provided from General Revenues	1,113,196	1,032,232
Cash Provided by Financing Transactions	<u>1,113,196</u>	<u>1,032,232</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ 1,402	\$ (13,108)
Cash and Cash Equivalents at Beginning of Year	846	13,954
Cash and Cash Equivalents at End of Year	<u>\$ 2,248</u>	<u>\$ 846</u>

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

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE 1 AUTHORITY AND PURPOSE

The Department of Justice and Solicitor General operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department's purpose is to serve Albertans by promoting safe and secure communities through effective law enforcement, correctional services, and access to the courts and other methods of dispute resolution. The Department also provides legal and related strategic services to the Government of Alberta, and protects human rights.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(a) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting except for payments on Motor Vehicle Accident Claims judgment debts and Maintenance Enforcement fees, penalties and subrogated revenues, which are recorded when received. Revenues for Motor Vehicle Accident Claims fees are reported when the service has been rendered. Fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment.

Government Transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers are recognized as deferred capital contributions and deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the department's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the department complies with its communicated uses of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the department meets eligibility criteria (if any).

Deferred Revenue

Cash received for which goods or services have not been provided by year end is recognized as deferred revenue.

Credit or Recovery

Credit or recovery initiatives provide a basis for authorizing spending. Credits or recoveries are shown in the details of the government estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual credit or recovery amounts exceed budget, the department may, with the approval of the Treasury Board Committee, use the excess to fund additional expenses of the program. Schedule 2 discloses information on the department's credit or recovery initiatives.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Transfer of Tangible Capital Assets from Other Government Departments/Entities

Transfers of tangible capital assets from other government departments or entities are recognized as revenue.

Expenses

Directly Incurred

Directly incurred expenses are those costs the department has primary responsibility and accountability for, as reflected in the government's budget documents.

Grant Expense

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which comprise the cost of employer contributions for current service of employees during the year;
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, banked overtime, guarantees and indemnities; and
- transfer of tangible capital assets to other government departments/entities.

Incurred by Others

Services contributed by other related entities in support of the department's operations are not recognized but disclosed in Schedule 8.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial 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 department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the department to external organization and individuals arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- a) are normally employed to deliver government services;
- b) may be consumed in the normal course of operations; and
- c) are not for sale in the normal course of operations.

Non-financial assets of the department are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the department are recognized at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged when the tangible capital asset is put into service.

When tangible capital assets are gifted or sold for a nominal sum, the net book value of these physical assets, less any nominal proceeds, are recognized as grants in kind.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The areas subject to measurement uncertainty include:

- Accounts receivable, reported as \$142,385 includes fines of \$75,747 (2017 - \$75,214). Accounts receivable excludes certain outstanding federal statute and provincial statute fines that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the fine. Outstanding fines expected to be satisfied by other means of \$9,074 (2017 - \$9,560) are based on the actual percentage satisfied in this manner from April 1, 2017 to March 31, 2018 and have been deducted from total outstanding fines. Changes in the proportion of fines satisfied by other means may have a material effect on future operating results.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(a) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

- The provision for doubtful accounts, reported as \$13,645 (2017 - \$11,669), is based on the actual percentage of fines written off from April 1, 2017 to March 31, 2018 and the assumption that the total receivable for Abandoned and Seized Vehicles as of March 31, 2018 will not be collected.
- Accounts payable and accrued liabilities, reported as \$262,188 (2017 - \$255,787) include an estimate of \$62,649 (2017 - \$60,068) for unsettled claims under the Motor Vehicle Accident Claims Program based on a calculated settlement value per claim. Changes to the settlement value may have a material effect on future operating results (Note 12).

(b) Change in Accounting Policy

The department has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets reflected in Note 5, and PS 3380 Contractual Rights which are reflected in Note 5, Note 6, Note 16, Note 17, Schedule 3, Schedule 7 and Schedule 8.

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 3 GOVERNMENT REORGANIZATIONS
(in thousands)

Effective April 1, 2017, responsibility for the Alberta First Responders Radio Communication System (AFRRCS) was transferred to the Ministry of Service Alberta.

Effective April 1, 2017, responsibility for Communications and Public Engagement was transferred to the Ministry of Treasury Board and Finance.

Comparatives for 2017 have been restated as if the Ministry has always been assigned with its current responsibilities.

Net Assets (Net Liabilities) and Net Debt on April 1, 2016 are made up as follows:

	As Previously Reported	Transfer to Treasury Board and Finance	Transfer to Service Alberta	As Restated
Revenues	\$ 303,213	\$ -	\$ (8,427)	\$ 294,786
Expenses	1,417,305	(1,333)	(47,545)	1,368,427
Annual Deficit	\$ (1,114,092)	\$ 1,333	\$ 39,118	\$ (1,073,641)
Net Financing Provided from General Revenues	1,064,694	(1,348)	(31,114)	1,032,232
Adjustment to Net Assets (Note 17)	1,971	-	-	1,971
Net Assets (Net Liabilities) at April 1, 2016	307,602	119	(367,754)	(60,033)
Net Assets (Net Liabilities) at March 31, 2017	\$ 260,175	\$ 104	\$ (359,750)	\$ (99,471)
Net Debt at April 1, 2016	\$ (83,593)	\$ 119	\$ 361	\$ (83,113)

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
 MARCH 31, 2018

NOTE 4 ACCOUNTS RECEIVABLE
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018			2017	
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	\$ 11,292	\$ -	\$ -	\$ 11,292	\$ 12,438
Fines – Provincial	33,299	3,705	4,576	25,018	26,541
Fines – Federal	20,996	4,080	3,336	13,580	13,771
Ticket Processing	40,096	1,289	1,658	37,149	34,902
Fines – Late Payment Penalty	32,619		2,128	30,491	28,664
Other	26,803	-	1,948	24,855	25,356
	<u>\$ 165,105</u>	<u>\$ 9,074</u>	<u>\$ 13,646</u>	<u>\$ 142,385</u>	<u>\$ 141,672</u>

NOTE 5 CONTINGENT ASSETS
(in thousands)

Fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment. At March 31, 2018, the estimate of contingent assets for fine revenues is \$20,745 (2017 - \$21,440).

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 6 CONTRACTUAL RIGHTS
(in thousands)

Contractual rights are rights of the department to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

As at March 31, 2018, the department has contractual rights under contracts and agreements totaling \$11,455 (2017 - \$33,424).

Estimated amounts that will be received or receivables for each of the next four years are as follows:

Rights Under Contracts and Agreements		Total
2018-19	\$	6,792
2019-20		3,191
2020-21		1,262
2021-22		210
	\$	<u>11,455</u>

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

	2018	2017 (Restated Note 3)
PPSA Service Agreement	\$ 64,327	\$ 63,734
Motor Vehicle Accident Claim (Note 12)	62,649	60,068
Other Program Expenses	135,212	131,767
	<u>\$ 262,188</u>	<u>\$ 255,569</u>

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 8 DEFERRED REVENUE
(in thousands)

	2018	2017
Balance at Beginning of Year	\$ 2,517	\$ 2,558
Cash Contributions Received/Receivable During Year	3,149	2,524
Less: Amounts Recognized as Revenue	(3,244)	(2,565)
Balance at End of Year	<u>\$ 2,422</u>	<u>\$ 2,517</u>

The end of year balance includes deferred revenue of \$1,549 (2017 - \$1,617) for motor vehicle accident claim fees collected pursuant to the *Motor Vehicle Accident Claims Act*, \$835 (2017 - \$847) for fees and licenses collected pursuant to the *Security Services and Investigators Act*, \$36 (2017 - \$48) for the Forensic and DNA Research program and \$2 (2017 - \$5) for Enhanced Policing Agreement.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
 MARCH 31, 2018

NOTE 9 TANGIBLE CAPITAL ASSETS
(in thousands)

	Equipment ⁽¹⁾	Computer Hardware and Software	Work in Progress ⁽²⁾	2018 Total	2017 Total (Restated Note 3)
Estimated Useful Life	3 - 40 years	3 - 10 years			
Historical Cost					
Beginning of Year	\$ 33,763	\$ 116,887	\$ 2,859	\$ 153,509	\$ 150,766
Additions	1,620	1,867	1,131	4,618	3,136
Transfer-In /(Out)	71		8,012	8,083	1,099
Disposals, Including Write-downs	(571)	(23)	-	(594)	(1,492)
	<u>34,883</u>	<u>118,731</u>	<u>12,002</u>	<u>165,616</u>	<u>153,509</u>
Accumulated Amortization					
Beginning of Year	28,140	109,292	-	137,432	127,687
Amortization Expense	1,446	3,332	-	4,778	11,592
Transfer-In /(Out)	60		-	60	(872)
Effect of Disposals	(571)	(23)	-	(594)	(975)
	<u>29,075</u>	<u>112,601</u>	<u>-</u>	<u>141,676</u>	<u>137,432</u>
Net Book Value at March 31, 2018	<u>\$ 5,808</u>	<u>\$ 6,130</u>	<u>\$ 12,002</u>	<u>\$ 23,940</u>	
Net Book Value at March 31, 2017	<u>\$ 5,623</u>	<u>\$ 7,595</u>	<u>\$ 2,859</u>	<u>\$</u>	<u>\$ 16,077</u>

(1) Equipment includes vehicles, office furnishings and other equipment.

(2) Work in progress includes \$10,245 (2017 - \$2,087) for the One Information Management Technology (One IMT) project and \$1,757(2017 - \$772) for Telephony System and other projects.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 10 CONTINGENT LIABILITIES

(in thousands)

Litigations

The department is involved in legal matters where damages are being sought. These matters may give rise to contingent liabilities.

Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. As at March 31, 2018, accruals totaling \$nil (2017 - \$nil) have been recorded as a liability. The total amount claimed for all likely claims is \$8,024 (2017 - \$897,604). Included in the total likely claims are claims covered in whole by the Alberta Risk Management Fund. The resulting additional liability, if any, from likely claims in excess of the amounts accrued is not determinable.

The department has been named in one hundred and fifty two (2017 - one hundred and sixty one) claims of which the outcome is not determinable. Of these claims, one hundred and twenty nine (2017 - one hundred and forty eight) have specified amounts totaling \$937,421 (2017 - \$132,841). The remaining twenty three (2017 - thirteen) claims have no amounts specified. Included in the total claims, one hundred and fourteen claims totaling \$664,828 (2017 - one hundred and thirty nine claims totaling \$116,362) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

Based on the *Public Trustee Act*, the amount outstanding on a client's guaranteed account as administered by the Office of the Public Guardian and Trustee (OPGT) is a charge against the Common Fund Assets of the Public Trustee and is unconditionally guaranteed by the Crown. As at March 31, 2018, based on the financial statements of the OPGT, the outstanding balance of the Client Guaranteed Accounts is \$433,309 (2017 - \$432,376).

Within the provision of the *Public Trustee Act*, the OPGT remits unclaimed estate monies, which is reported as general revenue of the department. If entitled beneficiaries are subsequently located, previously unclaimed estate monies are distributed to the beneficiaries.

Others

The Government of Alberta (GoA) provides funding to the Legal Aid Society of Alberta (LAA) based on the Governance Agreement to ensure low-income Albertans have access to legal services in criminal and civil matters. Under the terms of the agreement, the Department may be contingently liable for the cost to complete outstanding certificates upon termination of the agreement. At March 31, 2018, the LAA estimates \$28,705 (2017 - \$29,875) that will be incurred on approximately 22,240 (2017 - 30,300) outstanding certificates issued to the private bar and the LAA staff counsel over and above both the billings paid to date and work performed but not yet billed. Due to the uncertainty involved in the estimate process, there will likely be a difference between the estimated and actual costs to complete outstanding certificates and the difference may be material.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 10 CONTINGENT LIABILITIES (Cont'd)
(in thousands)

The Provincial Police Service Agreement (PPSA) with the Government of Canada is a contract for the Royal Canadian Mounted Police (RCMP) to provide provincial policing services. Under the terms of the contract, the Department may be contingently liable for the deferred contribution amount of construction buildings used as detachments. The agreement can be terminated with a two year notice served on March 31 in any year. Due to the uncertainty in process, a contingent liability may arise. At March 31, 2018, the amount is not significant.

NOTE 11 CONTRACTUAL OBLIGATIONS
(in thousands)

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

As at March 31, 2018, the department has contractual obligations under operating leases, contracts, and programs totaling \$1,185,351 (2017 - \$1,108,461 restated). This includes a commitment for the Provincial Police Service Agreement (PPSA) of \$798,111 (2017 - \$719,254). The PPSA with the Government of Canada is a contract for the Royal Canadian Mounted Police (RCMP) to provide policing services to small communities and rural areas in Alberta. Under the terms of the agreement, Alberta may terminate the agreement with a two year notice served on March 31 in any year.

Estimated payment requirements for each of the next five years and thereafter are as follows:

Obligations Under Operating Leases, Contracts and Programs

	Total
2018-19	\$ 518,427
2019-20	366,494
2020-21	293,288
2021-22	5,901
2022-23	832
Thereafter	409
	<u>\$ 1,185,351</u>

NOTE 12 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM
(in thousands)

Personal Injury Settlements

The Motor Vehicle Accident Claims Program is a publicly administered program that pays for judgments arising from motor vehicle accidents involving uninsured or unidentified vehicles in Alberta. The program operates under the authority of the *Motor Vehicle Accident Claims Act*. The *Act* states that in order for claimants involved in motor vehicle accidents with uninsured or unidentified vehicles to be entitled to compensation, the Minister of Justice and Solicitor General must receive a court judgment. In accordance with the *Act*, liabilities for personal injury claims are accrued when a court ordered judgment is received.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 12 MOTOR VEHICLE ACCIDENT CLAIMS PROGRAM (Cont'd)
(in thousands)

At March 31, 2018, accrued liabilities for motor vehicle accident claims are \$nil (2017 - \$247) in the total program expenditures of \$29,734 (2017 - \$28,798). There were one thousand and thirty five unsettled motor vehicle accident claims under this program at March 31, 2018 (2017- one thousand and forty six claims) amounting to \$173,397 (2017 - \$226,157). Of these unsettled claims, it was estimated that approximately \$59,453 (2017 - \$56,776) may arise from court ordered judgments, to be received, and have been recorded as a liability.

Supplementary Medical and Rehabilitation Expenses

The estimated liability for supplementary medical and rehabilitation expenses on approved applications filed up to March 31, 2018, is \$3,196 (2017 - \$3,293) and has been recorded as a liability. As at March 31, 2018, the maximum amount that may be payable to or on behalf of entitled applicants pursuant to the limits set in Section 17 of the *Motor Vehicle Accident Claims Act* was approximately \$7,441 (2017 - \$7,753).

NOTE 13 BENEFIT PLANS
(in thousands)

The department participates in the multi-employer pension plans: Management Employees Pension Plan (MEPP), Public Service Pension Plan (PSPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contributions of \$73,204 for the year ended March 31, 2018 (2017 - \$78,764). Departments are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the MEPP reported a surplus of \$866,006 (2016 – surplus \$402,033), the PSPP reported a surplus of \$1,275,843 (2016 – surplus \$302,975) and the SRP reported a deficiency of \$54,984 (2016 – deficiency \$50,020).

The department participates in the Provincial Judges and Masters in Chambers Pension Plan. The expenses for this pension plan are \$12,134 for the year ended March 31, 2018 (2017 - \$15,775).

The department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$111,983 (2017 – surplus \$101,515) and the Management, Opted Out and Excluded Plan a surplus of \$29,805 (2017 – surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 14 TRUST FUNDS UNDER ADMINISTRATION
(in thousands)

The department administers trust funds that are regulated funds consisting of public money over which the legislature has no power of appropriation. As the province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the department's financial statements.

As at March 31, 2018 trust funds under administration were as follows:

	<u>2018</u>	<u>2017</u>
Various Court Offices and Fines Distribution Trust ⁽¹⁾	\$ 154,343	\$ 166,716
Maintenance Enforcement Program ⁽²⁾	12,830	11,657
Civil Law Trust ⁽³⁾	13,053	11,534
Institutional Trust ⁽⁴⁾	1,233	1,205
Public Trustee, Estates and Trusts ⁽⁵⁾	604,666	606,491
	<u>\$ 786,125</u>	<u>\$ 797,603</u>

- (1) The various court offices receive and disburse payments for fines, bail and other payments involving civil litigants. Trust fund disbursements exceeded trust fund receipts in 2018 by \$12,373 (2017 - trust fund receipts exceeded trust fund disbursements by \$5,885).
- (2) The Maintenance Enforcement Program receives and disburses court ordered maintenance and child support. Trust fund receipts exceeded trust fund disbursements in 2018 by \$1,173 (2017 – trust fund receipts exceeded trust fund disbursements by \$869).
- (3) The Civil Law Trust is comprised of civil law funds held in trust and monies collected under the *Victims Restitution and Compensation Payment Act*. Total funds held in trust at March 31, 2018 included \$184 (2017 - \$206) of civil law funds and \$12,999 (2017 - \$11,333) of *Victims Restitution and Compensation Payment Act* funds. Trust fund receipts exceeded trust fund disbursements in 2018 by \$1,519 (2017 - \$2,105).
- (4) Institutional Trust receives and disburses inmate funds used for their personal needs, as well as inmate welfare funds derived from various sources, that are administered on their behalf. As at March 31, 2018, the amount of the trust funds held under administration was \$1,233 (2017 - \$1,205) which was comprised of inmate trust funds of \$540 (2017 - \$503) and inmate welfare fund equity of \$693 (2017 - \$702).
- (5) The Office of the Public Guardian and Trustee administers the estates of dependent adults, decedents and minors. A more comprehensive accounting can be found in the Office of the Public Guardian and Trustee, Estates and Trusts Financial Statements.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 15 PAYMENTS UNDER AGREEMENT

(in thousands)

The department has entered into agreements to deliver programs and services that are fully funded by the Government of Northwest Territories (GNWT), the Government of Nunavut (GN), the Government of Saskatchewan (GS), the Government of Canada (GC), and the Government of Yukon Territory (Yukon). Costs under these agreements are incurred by the department under authority in Section 25 of the *Financial Administration Act*. Accounts receivable includes \$36 (2017 - \$25) from the GNWT, \$19 (2017 - \$25) from the GN, \$nil (2017 - \$9) from the GS, \$76 (2017 - \$73) from the GC, and \$31 (2017 - \$38) from Yukon relating to payments under agreement.

The agreements with the GNWT, the GN and the GS are for services provided by the Medical Examiner's Office. Services include examination of remains, medico-legal autopsy, toxicology analysis, and expert testimony in court or at a coroner's inquest.

The agreement with the GC is for enhanced French language training in order to prepare Alberta Provincial Court judges to sit on the Itinerant Francophone Provincial Court Bench.

The agreement with the Yukon is for the purpose of conducting investigations of Serious Incidents respecting members of the Territorial Police Service.

Amounts paid and payable under agreements with program sponsors are as follows:

	2018	2017
Medical Examiner Services – GNWT	\$ 91	\$ 149
Medical Examiner Services – GN	47	46
Medical Examiner Services- GS	10	12
Enhanced French Language Training - GC	149	224
Territorial Police Services - Yukon	212	169
	<u>\$ 509</u>	<u>\$ 600</u>

The department has also entered into an agreement to disburse the provincial share of net forfeitures from proceeds of crime on behalf of the Department of Justice Canada (Justice Canada). Proceeds received from Justice Canada under this agreement are in accordance with Section 10 of the *Federal Seized Property Management Act* resulting from the investigation efforts by law enforcement agencies in Alberta.

Disbursements to law enforcement agencies and crime and drug prevention organizations under this agreement are made by the department under authority in Section 25 of the *Financial Administration Act*. Only the amounts received from Justice Canada and not disbursed are reflected in these financial statements. For the year ended March 31, 2018, amounts payable to law enforcement agencies and crime and drug prevention organizations under this agreement are \$2,565 (2017 - \$2,832) and are reflected in the Statement of Financial Position.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 16 ADMINISTRATION OF PROGRAMS/PROJECTS ON BEHALF OF OTHER GOVERNMENT DEPARTMENTS
(in thousands)

The department administers two programs on behalf of other ministries under different memorandums of understanding. The details of those programs that are under administration and the expenses incurred by the department are as follows:

Ministries	Date MOU Entered into	Descriptions	2018	2017
Ministry of Indigenous Relations	1-Apr-13	Service Agreement for Alberta/Metis Settlements	\$ 1,027	\$ 1,177
Ministry of Agriculture and Forestry	12-Feb-16	Enhanced Policing for Livestock Investigations	267	308
			<u>\$ 1,294</u>	<u>\$ 1,485</u>

NOTE 17 ADJUSTMENTS TO NET ASSETS
(in thousands)

The reconciliation of adjustments to net assets is as follows:

	2018	2017
Non-Grant Transfer of Tangible Capital Asset from other Government Departments/Entities	\$ -	\$ 1,971

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 18 SUBSEQUENT EVENTS
(in thousands)

Effective April 1, 2018, the government consolidated following functions/services:

- Human Resource (HR) functions under the Public Service Commission within the Department of Treasury Board and Finance;
- Freedom of Information and Protection of Privacy (FOIP) delivery services under the Department of Service Alberta; and
- Information Management and Technology (IMT) services under the Department of Service Alberta.

The estimated financial effect of the transfer on the Statement of Operations in 2018-19 is as follows:

	2018-19		
	HR	FOIP	IMT
Revenue	\$ -	\$ 11	\$ -
Operating Expenses	\$ 7,545	\$ 1,957	\$ 24,382
Capital Investment	\$ -	\$ 7	\$ 670

The estimated financial effect on the Statement of Financial Position may be significant but is uncertain at this stage.

NOTE 19 COMPARATIVE FIGURES

Certain 2017 figures have been reclassified to conform to the 2018 presentation.

NOTE 20 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approved these financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 REVENUES
 Year ended March 31, 2018

Schedule 1

	2018		2017 (Restated Note 3)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Government Transfers			
Federal Government Grants			
Youth Justice Program	\$ 14,951	\$ 14,939	\$ 14,960
Legal Aid	13,336	13,315	12,393
Other	7,251	7,374	6,966
	<u>35,538</u>	<u>35,628</u>	<u>34,319</u>
Premiums, Fees and Licences			
Motor Vehicle Accident Claims Fees	23,700	22,496	22,447
Court Fees	22,419	21,145	23,379
Security Services and Investigator Fees	1,800	1,589	1,665
Other	7,041	7,600	5,463
	<u>54,960</u>	<u>52,830</u>	<u>52,954</u>
Investment Income	<u>395</u>	<u>959</u>	<u>387</u>
Other Revenue			
Fines	140,007	124,467	128,641
Fines - Late Payment Penalty	36,000	35,499	36,202
Maintenance Enforcement Program	17,377	15,062	13,996
Recoveries for Enhanced Policing Services	7,820	7,519	7,533
Motor Vehicle Accident Recoveries	6,600	7,455	7,389
Transfer of Capital Assets	1,400	8,168	-
Miscellaneous	12,723	14,526	13,365
	<u>221,927</u>	<u>212,696</u>	<u>207,126</u>
Total Revenues	<u>\$ 312,820</u>	<u>\$ 302,113</u>	<u>\$ 294,786</u>

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 CREDIT OR RECOVERY
 Year ended March 31, 2018

Schedule 2

	2018			
	Authorized	Actual Revenue Recognized	Total Revenue Received/ Receivable	(Shortfall)/ Excess ⁽⁶⁾
	<i>(in thousands)</i>			
Maintenance Enforcement ⁽²⁾	\$ 8,277	\$ 5,781	\$ 5,781	\$ (2,496)
Provincial Civil Claims ⁽³⁾	1,200	1,360	1,360	160
Ticket Processing ⁽⁴⁾	42,030	42,030	42,030	-
Edmonton Regional Airport Authority ⁽⁵⁾	3,540	3,763	3,763	223
	<u>\$ 55,047</u>	<u>\$ 52,934</u>	<u>\$ 52,934</u>	<u>\$ (2,113)</u> ⁽¹⁾

This Schedule is to demonstrate compliance with Section 24(3) of the Financial Administration Act.

- (1) The revenue of each credit or recovery is included in the Statement of Operations and Schedule 1.
- (2) Maintenance Enforcement revenues represent deterrent penalties and service fees to promote timely payment of maintenance to improve and expand services available for clients.
- (3) Provincial Civil Claims revenues represent funding from fees levied to commence action in excess of seven thousand five hundred dollars in Provincial Court. These revenues are dedicated towards the costs of processing these claims.
- (4) Ticket Processing revenues represent the Province's share of *Traffic Safety Act* ticket revenue used to fund expenses incurred in processing and handling violation tickets issued under the *Traffic Safety Act*.
- (5) Edmonton Regional Airport Authority revenues are received on a full cost recovery basis from the Edmonton Regional Airport Authority for policing services provided to the Edmonton International Airport under the Provincial Police Service Agreement.
- (6) Shortfall is deducted from current year's authorized spending, as disclosed in Schedule 4 to the financial statements.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
 Year ended March 31, 2018

Schedule 3

	2018		2017 (Restated Note 3)
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 766,456	\$ 756,767	\$ 752,943
Supplies and Services	375,510	400,042	371,695
Grants	199,445	209,572	196,257
Amortization of Tangible Capital Assets (Note 9)	14,976	4,778	11,592
Other	23,053	40,700	35,940
Total Expenses	<u>\$ 1,379,440</u>	<u>\$ 1,411,859</u>	<u>\$ 1,368,427</u>

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
LAPSE/ENCUMBRANCE
Year ended March 31, 2018

Schedule 4

	Voted Estimate ⁽¹⁾	Supplementary Estimated ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
<i>(in thousands)</i>						
Program - Operational						
1 Ministry Support Services						
1.1 Minister's Office	\$ 790	\$ -	\$ -	\$ 790	\$ 705	\$ 85
1.2 Deputy Minister's Offices	1,070	-	-	1,070	1,159	(89)
1.3 Corporate Services	40,431	-	-	40,431	40,339	92
1.4 Human Resource Services	7,906	-	-	7,906	7,446	460
	<u>50,197</u>	<u>-</u>	<u>-</u>	<u>50,197</u>	<u>49,649</u>	<u>548</u>
2 Resolution and Court Administration Services						
2.1 Program Support Services	13,083	-	-	13,083	11,946	1,137
2.2 Resolution Services	18,554	-	(3,816)	14,738	14,843	(105)
2.3 Ticket Processing	42,030	-	-	42,030	42,030	-
2.4 Provincial Civil Claims	1,200	-	-	1,200	1,200	-
2.5 Provincial Court of Alberta	89,132	3,156	(212)	92,076	88,139	3,937
2.6 Alberta Court of Queen's Bench	30,784	-	4,028	34,812	34,668	144
2.7 Alberta Court of Appeal	7,467	-	-	7,467	6,899	568
	<u>202,250</u>	<u>3,156</u>	<u>-</u>	<u>205,406</u>	<u>199,725</u>	<u>5,681</u>
3 Legal Services						
3.1 Civil Law	50,682	-	-	50,682	49,442	1,240
3.2 Legislative Counsel	2,735	-	-	2,735	2,758	(23)
3.3 Law Reform	200	-	-	200	500	(300)
	<u>53,617</u>	<u>-</u>	<u>-</u>	<u>53,617</u>	<u>52,700</u>	<u>917</u>
4 Alberta Crown Prosecution Service						
4.1 Program Support	6,795	-	-	6,795	7,514	(719)
4.2 Appeals, Education and Prosecution Policy	7,039	-	-	7,039	6,885	154
4.3 Criminal and Youth Prosecutions	72,852	-	-	72,852	70,272	2,580
4.4 Specialized Criminal and Regulatory Prosecutions	11,143	-	-	11,143	11,563	(420)
	<u>97,829</u>	<u>-</u>	<u>-</u>	<u>97,829</u>	<u>96,234</u>	<u>1,595</u>

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 LAPSE/ENCUMBRANCE
 Year ended March 31, 2018

Schedule 4 (Cont'd)

	Voted Estimate ⁽¹⁾	Supplementary Estimated ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
	<i>(in thousands)</i>					
5 Support for Legal Aid	81,400	7,900	-	89,300	89,300	-
6 Justice Services						
6.1 Program Support	9,825	300	-	10,125	10,180	(55)
6.2 Family Support Order Services	21,614	-	-	21,614	17,509	4,105
6.3 Medical Examiner	12,615	-	-	12,615	12,419	196
6.4 Property Rights Advocate Office	493	-	-	493	339	154
6.5 Public Guardian Services	12,554	-	-	12,554	12,590	(36)
6.6 Public Trustee	19,708	-	-	19,708	18,528	1,180
	76,809	300	-	77,109	71,565	5,544
7 Public Security						
7.1 Program Support Services	8,517	1,990	-	10,507	12,363	(1,856)
7.2 Law Enforcement Review Board	780	-	-	780	635	145
7.3 Alberta Serious Incident Response Team	3,951	-	-	3,951	3,750	201
7.4 Law Enforcement Standards and Audits	2,898	-	-	2,898	2,391	507
7.5 Contract Policing and Policing Oversight	236,762	18,900	278	255,940	256,699	(759)
7.6 First Nations Policing	11,015	-	-	11,015	10,741	274
7.7 Policing Assistance to Municipalities	85,787	810	-	86,597	86,598	(1)
7.8 Organized and Serious Crime	29,100	-	-	29,100	29,111	(11)
7.9 Sheriff's and Security Operations Branch	70,178	1,488	-	71,666	71,604	62
7.10 Fish and Wildlife Enforcement	21,481	-	-	21,481	21,621	(140)
7.11 Commercial Vehicle Enforcement	13,292	346	-	13,638	14,042	(404)
	483,761	23,534	278	507,573	509,555	(1,982)

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 LAPSE/ENCUMBRANCE
 Year ended March 31, 2018

Schedule 4 (Cont'd)

	Voted Estimate ⁽¹⁾	Supplementary Estimated ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
	<i>(in thousands)</i>					
8 Correctional Services						
8.1 Program Support Services	6,192	-	-	6,192	6,993	(801)
8.2 Adult Remand and Correctional Centres	200,978	2,122	-	203,100	204,717	(1,617)
8.3 Young Offender Centres	22,134	-	-	22,134	21,980	154
8.4 Adult Community Correctional Services	39,988	-	-	39,988	41,685	(1,697)
8.5 Young Offender Community Correctional Services	10,617	-	-	10,617	11,034	(417)
	<u>279,909</u>	<u>2,122</u>	<u>-</u>	<u>282,031</u>	<u>286,409</u>	<u>(4,378)</u>
9 Alberta Human Rights						
9.1 Alberta Human Rights Commission	7,139	-	-	7,139	6,680	459
9.2 Assistance to the Human Rights Education and Multiculturalism Fund	1,735	-	-	1,735	1,735	-
	<u>8,874</u>	<u>-</u>	<u>-</u>	<u>8,874</u>	<u>8,415</u>	<u>459</u>
Credit or Recovery (Shortfall) (Schedule 2)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,113)</u>	<u>\$ (2,113)</u>	<u>\$ -</u>	<u>\$ (2,113)</u>
Total	<u>\$ 1,334,646</u>	<u>\$ 37,012</u>	<u>\$ (1,835)</u>	<u>\$ 1,369,823</u>	<u>\$ 1,363,552</u>	<u>\$ 6,271</u>
Lapse/(Encumbrance)						<u>\$ 6,271</u>

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 LAPSE/ENCUMBRANCE
 Year ended March 31, 2018

Schedule 4 (Cont'd)

	Voted Estimate ⁽¹⁾	Supplementary Estimated ⁽²⁾	Adjustments ⁽³⁾	Adjusted Voted Estimate	Voted Actuals ⁽⁴⁾	Unexpended (Over Expended)
	<i>(in thousands)</i>					
Program - Capital						
1 Ministry Support Services	\$ 2,149	\$ (1,071)		\$ 1,078	\$ 678	\$ 400
2 Resolution and Court Administration Services	1,000	-		1,000	998	2
3 Legal Services	-	-		-	-	-
4 Alberta Crown Prosecution Service	-	1,734		1,734	684	1,050
6 Justice Services	620	(90)		530	1,104	(574)
7 Public Security	533	(507)		26	453	(427)
8 Correctional Services	150	263		413	701	(288)
Total	\$ 4,452	\$ 329	\$ -	\$ 4,781	\$ 4,618	\$ 163
Lapse/(Encumbrance)						\$ 163

This Schedule is to demonstrate compliance with Section 24(4) of the Financial Administration Act.

- (1) As per "Expense Vote by Program" and "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page of 2017-18 *Government Estimates*. \$1,782 estimate for Communication and Public Engagement is excluded.
- (2) Per the *Supplementary Supply Estimates* approved on March 28, 2018.
- (3) Adjustments include encumbrances, capital carry forward amounts and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.
- (4) Actuals exclude non-voted amounts such as amortization and valuation adjustments.

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 LOTTERY FUND ESTIMATES
 Year ended March 31, 2018

Schedule 5

	2017-18 Lottery Fund Estimates	2017-18 Actual	Unexpended (Over Expended)
	<i>(in thousands)</i>		
Alberta Human Rights	\$ 1,735	\$ 1,735	\$ -

This table shows details of the initiatives within the department that are funded by Lottery Fund and compares it to the actual results.

**DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2018**

Schedule 6

	2018			2017	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-cash Benefits ⁽³⁾	Total	Total (Restated)
	<i>(in thousands)</i>				
Senior Officials:					
Deputy Minister of Justice and Deputy Solicitor General ⁽⁴⁾	\$ 344	\$ 8	4	\$ 356	\$ 356
Associate Deputy Solicitor General ⁽⁵⁾	119	3	32	154	50
Chief of the Commission and Tribunals, Alberta Human Rights Commission ⁽⁶⁾	214	3	20	237	334
Executives:					
Assistant Deputy Ministers					
Corporate Services	193	-	46	239	246
Resolution and Court Administration Services ⁽⁷⁾	249	1	49	299	261
Alberta Crown Prosecution Services	201	-	52	253	263
Legal Services	212	-	54	266	274
Justice Services	187	-	44	231	235
Public Security	220	-	54	274	254
Corrections	187	-	42	229	235
Other Executives:					
Senior Financial Officer and Executive Director	148	-	36	184	190
Executive Director, Human Resources	164	-	34	198	192
Director, Communications	138	-	34	172	174

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts, lump sum payments and car allowance. There were no bonuses paid in 2018.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, parking, professional memberships, tuition fees and the Health Spending Account.

(4) The individual is not paid a salary but is engaged through a contract for services between the Ministry and the individual's employer. The contract amount paid to the individual's employer is \$344.

(5) The position vacant as of May and was occupied as of November 2017.

(6) The position was occupied by two individuals during the year (April to July and August to March).

(7) The position was occupied by three individuals during the year (April to September; October to December; January to March).

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2018
(in thousands)

Schedule 7

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in the department and their close family members.

The department and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses 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 department had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Shared Services Agreement	\$ 625	\$ -	\$ -	\$ -
Energy	-	-	308	308
Service Alberta	-	-	8,158	-
Environment and Parks	-	-	11	-
	<u>\$ 625</u>	<u>\$ -</u>	<u>\$ 8,477</u>	<u>\$ 308</u>
Expenses – Directly Incurred				
Grants	\$ 1,735	\$ 1,735	\$ -	\$ -
Shared Services Agreement	625	-	-	-
Service Alberta	-	-	12,871	11,353
Other Services	-	-	2,144	1,397
	<u>\$ 2,360</u>	<u>\$ 1,735</u>	<u>\$ 15,015</u>	<u>\$ 12,750</u>
Receivable from	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66</u>	<u>\$ 2,151</u>
Contractual Obligations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633</u>	<u>\$ 715</u>

The department 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 reported in the financial statements. Revenues are disclosed as follows and expenses are included in Schedule 8.

	Entities in the Ministry		Other Entities	
	2018	2017	2018	2017
Revenues				
Legal Services	\$ 1	\$ 5	\$ 43,057	\$ 44,027

DEPARTMENT OF JUSTICE AND SOLICITOR GENERAL
 SCHEDULE TO FINANCIAL STATEMENTS
 ALLOCATED COSTS
 Year ended March 31, 2018
 (in thousands)

Schedule 8

Program	2018			2017	
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Business Services ⁽³⁾	Total Expenses	Total Expenses (Restated Note 3)
Ministry Support Services	\$ 51,974	\$ 6,103	\$ 20,873	\$ 78,950	\$ 81,291
Resolution and Court Administration Services	213,037	58,008	-	271,045	265,308
Legal Services	53,260	2,610	-	55,870	56,552
Alberta Crown Prosecution Service	96,707	7,541	-	104,248	100,431
Support for Legal Aid	89,300	168	-	89,468	78,496
Justice Services	71,981	6,955	-	78,936	77,015
Public Security	510,396	18,253	-	528,649	504,786
Correctional Services	287,126	61,954	-	349,080	346,010
Alberta Human Rights	8,344	1,077	-	9,421	9,147
Motor Vehicle Accident Claims	29,734	302	-	30,036	29,094
	<u>\$ 1,411,859</u>	<u>\$ 162,971</u>	<u>\$ 20,873</u>	<u>\$ 1,595,703</u>	<u>\$ 1,548,130</u>

(1) Expenses – Directly Incurred as per Statement of Operations.

(2) Accommodation Costs, including grants in lieu of taxes, allocated by square metres.

(3) Business Services Costs including charges for IT support, internal audit services and other services, allocated by costs in certain programs.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND

Financial Statements

Year Ended March 31, 2018

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND

Financial Statements

Year Ended March 31, 2018

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Expenses – Directly Incurred Detailed by Object

Schedule 2 - Salary and Benefits Disclosure

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of Human Rights Education and Multiculturalism Fund, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net financial assets 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 Human Rights Education and Multiculturalism Fund as at March 31, 2018, and the results of its operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
June 4, 2018
Edmonton, Alberta

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
STATEMENT OF OPERATIONS
Year ended March 31, 2018

	2018		2017
	Budget	Actual	Actual
<i>(in thousands)</i>			
Revenues			
Internal Government Transfer			
Department of Justice and Solicitor General	\$ 1,735	\$ 1,735	\$ 1,735
Premiums, Fees and Licences	75	64	41
Investment Income	100	50	38
Other	10	16	-
	<u>1,920</u>	<u>1,865</u>	<u>1,814</u>
Expenses - Directly Incurred (Note 2(b) and Schedule 1 and 3)			
Program			
Support to Community Groups	1,296	1,239	1,275
Education Programs	597	466	499
	<u>1,893</u>	<u>1,705</u>	<u>1,774</u>
Annual Surplus	<u>\$ 27</u>	<u>\$ 160</u>	<u>\$ 40</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, 2018**

	2018	2017
	<i>(in thousands)</i>	
Assets		
Cash and Cash Equivalents (Note 3)	\$ 3,721	\$ 3,530
Accounts Receivable	10	3
	<u>3,731</u>	<u>3,533</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	<u>51</u>	<u>15</u>
Net Financial Assets	<u>3,680</u>	<u>3,518</u>
Non-Financial Assets		
Tangible Capital Assets (Note 5)	<u>8</u>	<u>10</u>
Net Assets	<u>\$ 3,688</u>	<u>\$ 3,528</u>
Net Assets at Beginning of Year	\$ 3,528	\$ 3,488
Annual Surplus	160	40
Net Assets at End of Year	<u>\$ 3,688</u>	<u>\$ 3,528</u>

Contractual Obligations (Note 6)

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

**HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2018**

	2018		2017
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual Surplus	\$ 27	\$ 160	\$ 40
Amortization of Tangible Capital Assets (Note 5)	-	2	2
Increase in Net Financial Assets	\$ 27	\$ 162	\$ 42
Net Financial Assets at Beginning of Year	3,476	3,518	3,476
Net Financial Assets at End of Year	\$ 3,503	\$ 3,680	\$ 3,518

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, 2018**

	<u>2018</u>	<u>2017</u>
	<i>(in thousands)</i>	
Operating Transactions		
Annual Surplus	\$ 160	\$ 40
Non-cash Items Included in Annual Surplus		
Amortization of Tangible Capital Assets (Note 5)	2	2
(Increase) in Accounts Receivable	(7)	(3)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	36	(400)
Cash Applied to Operating Transactions	<u>191</u>	<u>(361)</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ 191	\$ (361)
Cash and Cash Equivalents at Beginning of Year	3,530	3,891
Cash and Cash Equivalents at End of Year	<u>\$ 3,721</u>	<u>\$ 3,530</u>

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

**HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE 1 AUTHORITY AND PURPOSE

The Human Rights Education and Multiculturalism Fund (the 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) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting.

Government Transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer, or the stipulations together with the fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the fund complies with its communicated uses of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

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.

Grant Expense

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

In addition to program operating expenses such as supplies, etc., directly incurred expenses also include amortization of tangible capital assets.

**HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(a) Basis of Financial Reporting (Cont'd)

Expenses (Cont'd)

Incurred by Others

Services contributed by other related entities in support of the fund's operations are not recognized but are disclosed in Schedule 4.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents; accounts receivable; accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial 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 financial claims, such as advances to and receivables from other organizations, and other individuals.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the fund to external organizations and individuals arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- d) are normally employed to deliver government services;
- e) may be consumed in the normal course of operations; and
- f) are not for sale in the normal course of operations.

Non-financial assets of the fund are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the fund are recognized at historical cost and amortized on a straight-line basis over the estimate useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged when the tangible capital asset is put into service.

**HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(b) Change in Accounting Policy

The fund has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights which are reflected in Schedule 1, Schedule 3 and Schedule 4.

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018

NOTE 3 CASH AND CASH EQUIVALENTS
(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The 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 securities with a maximum term to maturity of three years. As at March 31, 2018, securities held by the fund have a time weighted return of 1.1% (2017 - 0.9%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

	<u>2018</u>	<u>2017</u>
Other Program Expenses	\$ 51	\$ 15

NOTE 5 TANGIBLE CAPITAL ASSETS
(in thousands)

	<u>Equipment ⁽¹⁾</u>
Estimated Useful Life	3-40 years
Historical Cost	
Beginning of Year	\$ 17
Additions	-
Disposals, Including Write-downs	-
	<u>17</u>
Accumulated Amortization	
Beginning of Year	7
Amortization Expense	2
Effect of Disposals	-
	<u>9</u>
Net Book Value at March 31, 2018	<u>\$ 8</u>
Net Book Value at March 31, 2017	<u>\$ 10</u>

(1) Equipment includes video conference equipment.

**HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

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.

As at March 31, 2018, the fund has obligations under contracts and programs totalling \$525 (2017 - \$161).

Estimated payment requirements for each of the next two years are as follows:

Obligations Under Contracts and Programs

	Total
2018-19	\$ 497
2019-20	28
	<u>\$ 525</u>

NOTE 7 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approved these financial statements.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
SCHEDULE TO FINANCIAL STATEMENTS
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2018

Schedule 1

	2018		2017
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Supplies and Services	\$ 268	\$ 120	\$ 152
Supplies and Services from Support Service Arrangements with Related Parties ⁽¹⁾	625	625	625
Grants	1,000	958	995
Amortization of Tangible Capital Assets	-	2	2
	\$ 1,893	\$ 1,705	\$ 1,774

⁽¹⁾ The fund receives financial and administrative services from the Department of Justice and Solicitor General.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2018

Schedule 2

	2018			2017	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total ⁽⁵⁾	Total
	<i>(in thousands)</i>				
Chief of the Commission and Tribunals, Alberta Human Rights Commission ⁽⁴⁾	\$ 214	\$ 3	\$ 20	\$ 237	334

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts, lump sum payments and car allowance. There were no bonuses paid in 2018.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, parking, professional memberships, tuition fees and the Health Spending Account.

(4) The position was occupied by two individuals during the year (April to July and August to March).

(5) Full salary and benefits are disclosed but not paid by fund, which is paid by the Department of Justice and Solicitor General

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2018
(in thousands)

Schedule 3

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's consolidated financial statements. Related parties also include key management personnel in the fund and their close family members.

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 reported 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	
	2018	2017
Revenues		
Transfer from the Department of Justice and Solicitor General	\$ 1,735	\$ 1,735
Expenses Directly Incurred		
Shared Services Agreement	\$ 625	\$ -

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 reported in the financial statements but are disclosed in Schedule 4.

HUMAN RIGHTS EDUCATION AND MULTICULTURALISM FUND
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2018
(in thousands)

Schedule 4

Program	2018		2017	
	Expenses ⁽¹⁾	Expenses - Incurred by Others Accommodation Costs ⁽²⁾	Total Expenses	Total Expenses
Support to Community Groups	\$ 1,239	\$ 82	\$ 1,321	\$ 1,355
Education Programs	466	-	466	499
	<u>\$ 1,705</u>	<u>\$ 82</u>	<u>\$ 1,787</u>	<u>\$ 1,854</u>

(1) Expenses – Directly Incurred as per Statement of Operations.

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

VICTIMS OF CRIME FUND
Financial Statements
Year Ended March 31, 2018

VICTIMS OF CRIME FUND
Financial Statements
Year Ended March 31, 2018

Independent Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Change in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Expenses – Directly Incurred Detailed by Object

Schedule 2 - Salary and Benefits Disclosure

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Victims of Crime Fund, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, change in net financial assets 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 Victims of Crime Fund as at March 31, 2018, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General
June 4, 2018
Edmonton, Alberta

**VICTIMS OF CRIME FUND
STATEMENT OF OPERATIONS
Year ended March 31, 2018**

	2018		2017
	Budget	Actual	Actual
<i>(in thousands)</i>			
Revenues			
Government Transfers			
Federal Government Grants	\$ 748	\$ 1,098	\$ 558
Investment Income	500	803	544
Other Revenue			
Federal Surcharge	2,500	2,445	2,408
Provincial Fine Surcharge	46,500	42,784	45,789
Expenditure Refunds	-	711	160
	<u>50,248</u>	<u>47,841</u>	<u>49,459</u>
Expenses - Directly Incurred (Note 2(a) and Schedule 1 and 4)			
Programs			
Financial Benefits	15,152	21,178	22,499
Assistance to Victims Organizations	19,485	18,780	16,920
Criminal Injuries Review Board	448	316	321
Program Support Services	574	662	521
	<u>35,659</u>	<u>40,936</u>	<u>40,261</u>
Annual Surplus	<u>\$ 14,589</u>	<u>\$ 6,905</u>	<u>\$ 9,198</u>

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

**VICTIMS OF CRIME FUND
STATEMENT OF FINANCIAL POSITION
As at March 31, 2018**

	2018	2017
	<i>(in thousands)</i>	
Assets		
Cash and Cash Equivalents (Note 3)	\$ 76,382	\$ 70,471
Accounts Receivable (Note 4)	31,337	30,396
	<u>107,719</u>	<u>100,867</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>36,115</u>	<u>36,198</u>
Net Financial Assets	<u>71,604</u>	<u>64,669</u>
Non-Financial Assets		
Tangible Capital Assets (Note 7)	424	454
Net Assets	<u>\$ 72,028</u>	<u>\$ 65,123</u>
Net Assets at Beginning of Year	\$ 65,123	\$ 55,925
Annual Surplus	6,905	9,198
Net Assets at End of Year	<u>\$ 72,028</u>	<u>\$ 65,123</u>

Contingent Assets (Note 5)

Contractual Obligations (Note 8)

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

**VICTIMS OF CRIME FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended March 31, 2018**

	2018		2017
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual Surplus	\$ 14,589	\$ 6,905	\$ 9,198
Amortization of Tangible Capital Assets (Note 7)	69	30	-
Increase in Net Financial Assets	\$ 14,658	\$ 6,935	\$ 9,198
Net Financial Assets at Beginning of Year	55,471	64,669	55,471
Net Financial Assets at End of Year	\$ 70,129	\$ 71,604	\$ 64,669

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

**VICTIMS OF CRIME FUND
STATEMENT OF CASH FLOWS
Year ended March 31, 2018**

	<u>2018</u>	<u>2017</u>
	<i>(in thousands)</i>	
Operating Transactions		
Annual Surplus	\$ 6,905	\$ 9,198
Non-cash Items Included in Annual Surplus		
Amortization of Tangible Capital Assets (Note 7)	30	-
Increase in Accounts Receivable	(941)	(2,052)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(83)	7,934
Cash Provided by Operating Transactions	<u>5,911</u>	<u>15,080</u>
Increase in Cash and Cash Equivalents	\$ 5,911	\$ 15,080
Cash and Cash Equivalents at Beginning of Year	70,471	55,391
Cash and Cash Equivalents at End of Year	<u>\$ 76,382</u>	<u>\$ 70,471</u>

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

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018**

NOTE 1 AUTHORITY AND PURPOSE

The Victims of Crime Fund (the fund) operates under the authority of the *Victims of Crime Act*, Chapter V-3, Revised Statutes of Alberta 2000.

The purpose of the fund is to provide grants to victims' programs and to pay benefits to victims, or their dependents, who suffer injury or death as the result of a criminal offence specified in the regulations of the *Victims of Crime Act*, using provincial and federal surcharge revenues.

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) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods and or services have not been provided by year-end is recognized as unearned revenue. Surcharge of fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment.

Government Transfers

Transfers from all levels of governments are referred to as government transfers.

Government transfers are recognized as deferred revenue if the eligibility criteria of the transfer or the stipulations together with the fund's actions and communications as to the use of transfers create a liability. These transfers are recognized as revenues, as the stipulations are met and, when applicable, the fund complies with its communicated uses of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the fund meets eligibility criteria (if any).

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(a) Basis of Financial Reporting (Cont'd)

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.

Grant Expenses

Grants are recognized as expenses when authorized and eligibility criteria, if any, are met by the recipients and a reasonable estimate of the amounts can be made.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets;
- pension costs, which comprise the cost of employer contributions for current service of employees during the year; and
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the fund's operations are not recognized but disclosed in Schedule 4.

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

The fair values of cash and cash equivalents; accounts receivable; accounts payable and accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial 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 financial claims, such as receivables from other organizations, employees and other individuals.

Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(a) Basis of Financial Reporting (Cont'd)

Liabilities

Liabilities are present obligations of the fund to external organizations and individuals arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- g) are normally employed to deliver government services;
- h) may be consumed in the normal course of operations; and
- i) are not for sale in the normal course of operations.

Non-financial assets of the fund are limited to tangible capital assets.

Tangible Capital Assets

Tangible capital assets of the fund are recognized at historical cost and amortized on a straight-line basis over the estimate useful lives of the assets. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged when the tangible capital asset is put into service.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount in the financial statements and another reasonably possible amount.

The areas subject to measurement uncertainty include:

- Accounts receivable recognized as \$31,337 (2017 - \$30,396) excludes certain outstanding federal statute surcharges and provincial statute fine surcharges that are expected to be satisfied by means other than cash payment. The other means include participation in the fine option program or time served in a correctional institution at the option of the person owing the surcharge. Outstanding surcharges expected to be satisfied by other means of \$6,892 (2017 - \$6,473) are based on the actual percentage satisfied in this manner from April 1, 2017 to March 31, 2018 and have been deducted from total outstanding surcharges. Changes in the proportion of surcharges satisfied by other means may have a material effect on future operating results.
- Provision for doubtful accounts reported as \$1,261 (2017 - \$985) is based on the actual percentage of surcharges written off from April 1, 2017 to March 31, 2018.

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES
(Cont'd)**

(a) Basis of Financial Reporting (Cont'd)

Measurement Uncertainty (Cont'd)

(in thousands)

- Financial benefits program (Note 9) liabilities total \$30,889 (2017 - \$32,172) and include:
 - financial benefits reported in the amount of \$14,743 (2017 - \$15,267);
 - supplemental financial benefits in the amount of \$10,667 (2017 - \$10,862); and
 - compensation claims in the amount of \$5,479 (2017 - \$6,043).

(b) Change in Accounting Policy

The fund has prospectively adopted the following standards from April 1, 2017: PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, PS 3210 Assets, PS 3320 Contingent Assets, and PS 3380 Contractual Rights which are reflected in Note 5, Schedule 1, Schedule 3 and Schedule 4.

(c) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3430 Restructuring Transactions (effective April 1, 2018)**
This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/ or liabilities, together with related program or operating responsibilities.
- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.
- **PS 3450 Financial Instruments (effective April 1, 2021)**
Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

Management is currently assessing the impact of these standards on the financial statements.

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 3 CASH AND CASH EQUIVALENTS
(in thousands)

Cash and Cash Equivalents include deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The 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 securities with a maximum term to maturity of three years. As at March 31, 2018, securities held by the fund have a time weighted return of 1.1% (2017 - 0.9%) per annum. Due to the short-term nature of CCITF investments, the carrying value approximates fair value.

NOTE 4 ACCOUNTS RECEIVABLE
(in thousands)

Accounts receivable are unsecured and non-interest bearing.

	2018				2017	
	Gross Amount	Fine Option and Time Served	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Government of Canada Surcharge	\$ 1,827	\$ -	\$ -	\$ 1,827	\$ 1,263	
Provincial	25,492	820	1,054	23,618	23,320	
Federal	8,205	6,072	207	1,926	1,916	
Other	3,966	-	-	3,966	3,897	
	<u>\$ 39,490</u>	<u>\$ 6,892</u>	<u>\$ 1,261</u>	<u>\$ 31,337</u>	<u>\$ 30,396</u>	

NOTE 5 CONTINGENT ASSETS
(in thousands)

Fine revenues are recognized at the point of conviction, which excludes certain outstanding federal statute and provincial statute fines that are satisfied by means other than cash payment. At March 31, 2018, the estimate of contingent assets for fine revenues is \$7,538 (2017 - \$8,033).

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
(in thousands)

	2018	2017
Grants to Non-Profit Organizations	\$ 4,203	\$ 2,629
Financial Benefits Program (Note 9)	30,889	32,172
Other Program Expenses	1,023	1,397
	<u>\$ 36,115</u>	<u>\$ 36,198</u>

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 7 TANGIBLE CAPITAL ASSETS
(in thousands)

	Computer Hardware and Software	Work in Progress	2018 Total	2017 Total
Estimated Useful Life	3 -10 years			
Historical Cost				
Beginning of Year	\$ 414	\$ 454	\$ 868	\$ 868
Additions	-	-	-	-
Recategorization ⁽¹⁾	454	(454)	-	-
Disposals, Including Write-downs	-	-	-	-
	<u>868</u>	<u>-</u>	<u>868</u>	<u>868</u>
Accumulated Amortization				
Beginning of Year	414	-	414	414
Amortization Expense	30	-	30	-
Effect of Disposals	-	-	-	-
	<u>444</u>	<u>-</u>	<u>444</u>	<u>414</u>
Net Book Value at March 31, 2018	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ 424</u>	
Net Book Value at March 31, 2017	<u>\$ -</u>	<u>\$ 454</u>	<u>\$ -</u>	<u>\$ 454</u>

⁽¹⁾ Recategorization is for Alberta Victim Assistance Tracking and Reporting (AVATAR) system that was operational in April.

NOTE 8 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.

As at March 31, 2018, the fund has obligations under contracts and programs totaling \$21,623 (2017 - \$15,562).

Estimated payment requirements for each of the next three years are as follows:

Obligations Under Contracts and Programs	Total
2018-19	\$ 12,080
2019-20	8,000
2020-21	1,543
	<u>\$ 21,623</u>

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 9 FINANCIAL BENEFITS PROGRAM

(in thousands)

Financial Benefits

As at March 31, 2018, there were one thousand nine hundred twenty four (2017 - two thousand two hundred fifty one) active applications for financial benefits.

Financial Benefits liability of \$14,743 (2017 - \$15,267) is estimated based on historical decision patterns, average award values, and case progress at year end. Additional information may be required to determine the amount for individual cases under regulations of the *Victims of Crime Act*.

Supplemental Benefits

As at March 31, 2018, twenty three (2017 – twenty three) eligible recipients received a monthly payment of \$1,000 for supplemental benefits.

Supplemental benefits liability of \$10,667 (2017 - \$10,862) is estimated using a projection of monthly payments and statistical life expectancy figures. In addition, a present-value methodology has also been applied in calculating this estimated liability. This methodology projects benefit cost streams into the future and discounts them to present-value using a discount rate which reflects the current return on assets used to fund the liability. The injuries of a recipient receiving a supplemental financial benefit must be reviewed every 12 months to determine whether the severity of injuries is still in accordance with regulations under the *Victims of Crime Act*.

Former Crimes Compensation Board

As at March 31, 2018, twenty eight (2017 - twenty eight) eligible recipients received a monthly payment for compensation claims, assumed from the former Crimes Compensation Board.

Compensation claims liability of \$5,479 (2017 - \$6,043) is estimated using a projection of monthly payments and statistical life expectancy figures. The same present-value methodology described above for supplemental benefits has been used to calculate this estimated liability. The payments are subject to periodic review to confirm continued eligibility for entitlements and/or adjustment to the monthly amount.

**VICTIMS OF CRIME FUND
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
MARCH 31, 2018**

NOTE 10 BENEFIT PLANS
(in thousands)

The fund participates in the multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$551 for the year ended March 31, 2018 (2017 - \$513). The fund is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2017, the Management Employees Pension Plan reported a surplus of \$866,006 (2016 – surplus \$402,033), the Public Service Pension Plan reported a surplus of \$1,275,843 (2016 – surplus \$302,975) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$54,984 (2016 – deficiency \$50,020).

The fund also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2018, the Bargaining Unit Plan reported a surplus of \$111,983 (2017 – surplus \$101,515) and the Management, Opted Out and Excluded Plan a surplus of \$29,805 (2017 – surplus \$31,439). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The deputy minister and the senior financial officer approved these financial statements.

VICTIMS OF CRIME FUND
 SCHEDULE TO FINANCIAL STATEMENTS
 EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT
 Year ended March 31, 2018

Schedule 1

	2018		2017
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, Wages, and Employee Benefits	\$ 3,981	\$ 4,593	\$ 3,887
Supplies and Services	1,325	934	919
Grants	30,184	36,385	28,459
Amortization of Tangible Capital Assets	69	30	-
Provision for Financial Benefits Program	100	(1,283)	6,916
Others	-	277	80
	<u>\$ 35,659</u>	<u>\$ 40,936</u>	<u>\$ 40,261</u>

**VICTIMS OF CRIME FUND
SCHEDULE TO FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2018**

Schedule 2

	2018			2017	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non- Cash Benefits ⁽³⁾	Total ⁽⁴⁾	Total (Restated)
	<i>(in thousands)</i>				
Assistant Deputy Minister Public Security Division	\$ 220	\$ -	\$ 54	\$ 274	\$ 254

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts, lump sum payments and car allowance. There were no bonuses paid in 2018.

(3) Other non-cash benefits include the government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, parking, professional memberships, tuition fees and the Health Spending Account.

(4) Full salary and benefits are disclosed but not paid by fund, which is paid by the Department of Justice and Solicitor General.

VICTIMS OF CRIME FUND
SCHEDULE TO FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2018
(in thousands)

Schedule 3

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's consolidated financial statements. Related parties also include key management personnel in the fund, and their close family members.

The fund and its employees 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 reported on the Statement of Operations and Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2018	2017
Expenses-Directly Incurred		
Alberta Risk Management Fund	\$ 7	\$ 5
Other Services	1	1
	<u>\$ 8</u>	<u>\$ 6</u>

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 reported in the financial statements but are disclosed in Schedule 4.

**VICTIMS OF CRIME FUND
SCHEDULE TO FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2018
(in thousands)**

Schedule 4

Program	2018				2017	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses	Total Expenses	
		Accommodation Costs ⁽²⁾	Legal Services ⁽³⁾			
Financial Benefits	\$ 21,178	\$ 131	\$ -	\$ 21,309	\$ 22,627	
Victims Programs	18,780	126	-	18,906	17,043	
Criminal Injuries Review Board	316	90	-	406	409	
Administration	662	10	1	673	536	
	<u>\$ 40,936</u>	<u>\$ 357</u>	<u>\$ 1</u>	<u>\$ 41,294</u>	<u>\$ 40,615</u>	

(1) Expenses – Directly Incurred as per Statement of Operations.

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

(3) Costs shown for Legal Services, allocated by estimated costs incurred by each program.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS**

Financial Statements

Year Ended March 31, 2018

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS**

Financial Statements

Year Ended March 31, 2018

Management's Report

Independent auditor's report

Financial statements

Statement of Operations

Statement of Financial Position

Statement of Changes in Net Assets

Statement of Cash Flows

Statement of Remeasurement Gains and Losses

Notes to Financial Statements

Schedule 1 - Clients' Guaranteed Accounts

Management's Report

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for all areas except trust assets under administration. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Executive Director and Acting Public Trustee is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Office of the Public Guardian and Trustee. The Executive Director and Acting Public Trustee reviews external audited financial statements annually.

The external auditor, Auditor General of Alberta, conducts an independent examination, in accordance with Canadian auditing standards, and expresses their opinion on the financial statements. The external auditor has full and free access to financial management of the Office of the Public Guardian and Trustee and meets when required.

On behalf of the Office of the Public Guardian and Trustee

[Original signed by]

David Peace
Assistant Deputy Minister
Justice Services Division
Justice and Solicitor General

[Original signed by]

Barb Martini
Public Trustee
Office of the Public Guardian &
Trustee

Independent Auditor's Report

To the Minister of Justice and Solicitor General

Report on the Financial Statements

I have audited the accompanying financial statements of the Office of the Public Guardian and Trustee, Estates and Trusts, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets, remeasurement gains and losses, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management using the described basis of accounting in Note 2.

Management's Responsibility for the Financial Statements

Management is responsible for the determination that the described basis of accounting is acceptable in the circumstances, preparation and presentation of these financial statements in accordance with the accounting policies described in Note 2, 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 Office of the Public Guardian and Trustee, Estates and Trusts as at March 31, 2018, and the results of its operations, its changes in net assets, its remeasurement gains and losses, and its cash flows for the year then ended in accordance with the basis of accounting described in Note 2.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to account for assets held in trust under the *Public Trustee Act*. The financial statements are prepared in accordance with the described basis of accounting and, therefore, may not be suitable for another purpose.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]

Auditor General

June 4, 2018

Edmonton, Alberta

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF OPERATIONS
Year Ended March 31, 2018**

	2018	2017
	<i>(in thousands)</i>	
Revenues		
Pensions, Benefits and Settlements	\$ 113,150	\$ 118,662
Interest and Dividends <i>(Note 5)</i>	11,798	12,085
Common Fund Realized Gains	852	1,089
	<u>125,800</u>	<u>131,836</u>
Expenses		
Client Care and Maintenance	81,599	82,087
Administrative Fees <i>(Note 12)</i>	5,182	5,205
Management fees	1,083	1,010
Transfer to Ministry of Justice <i>(Note 12)</i>	2,454	1,655
	<u>90,318</u>	<u>89,957</u>
Net Income	\$ <u>35,482</u>	\$ <u>41,879</u>

The accompanying notes and schedules are an integral part of these financial statements

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF FINANCIAL POSITION
As at March 31, 2018**

	2018	2017
	<i>(In thousands)</i>	
Financial Assets		
Cash and Cash Equivalents <i>(Note 7)</i>	\$ 6,771	\$ 7,312
Interest and Dividends Receivable	3,286	3,572
Common Fund Investments <i>(Note 8)</i>	507,322	504,979
Other Trust Assets Under Administration <i>(Note 9)</i>	140,560	141,737
	<u>657,939</u>	<u>657,600</u>
Liabilities		
Accounts Payable and Accrued Liabilities <i>(Note 10)</i>	2,618	1,826
Clients' Accounts, Mortgages, and Loans Payable <i>(Note 11)</i>	47,039	47,009
Total Liabilities	49,657	48,835
Accumulated Remeasurement Gains	3,617	2,274
	<u>604,665</u>	<u>606,491</u>
Net Assets	\$ 604,665	\$ 606,491

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF CHANGES IN NET ASSETS
Year Ended March 31, 2018

	Clients' Equity 2018	Accumulated Surplus 2018 <i>(in thousands)</i>	Total 2018	Clients' Equity 2017	Accumulated Surplus 2017 <i>(in thousands)</i>	Total 2017
Net Income	\$ -	\$ 35,482	\$ 35,482	\$ -	\$ 41,879	\$ 41,879
Allocated to Clients for Future Distribution Interest from Common Fund Earnings <i>(Note 1d)</i>	10,175	(10,175)	-	10,794	(10,794)	-
Excess of Revenues over Expenditures <i>(Note 6)</i>	26,861	(26,861)	-	31,689	(31,689)	-
Trust Assets Acquired <i>(Note 9b)</i>	38,582	-	38,582	35,736	-	35,736
Assets released to Clients, Beneficiaries and Heirs	(34,784)	-	(34,784)	(22,527)	-	(22,527)
Cash distributions to Clients, Beneficiaries and Heirs	(41,106)	-	(41,106)	(52,377)	-	(52,377)
	(272)	(37,036)	(37,308)	3,315	(42,483)	(39,168)
Increase (Decrease) in Net Financial Assets	(272)	(1,554)	(1,826)	3,315	(604)	2,711
Net Assets - Beginning of Year	527,102	79,389	606,491	523,787	79,993	603,780
Net Assets - End of Year	\$ 526,830	\$ 77,835	\$ 604,665	\$ 527,102	\$ 79,389	\$ 606,491

The accompanying notes and schedules are an integral part of these financial statements

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF CASH FLOWS
Year Ended March 31, 2018**

	2018	2017
	<i>(in thousands)</i>	
Operating Transactions		
Net Income	\$ 35,482	\$ 41,879
Items not affecting cash:		
Interest and Dividends from Clients' Investments outside of Common Fund	(492)	(319)
Amortization of Premium and Discounts	3,888	4,448
	<u>38,878</u>	<u>46,008</u>
Decrease in Interest and Dividends Receivable	286	366
Increase in Accounts Payable and Accrued Liabilities	792	1,062
	<u>1,078</u>	<u>1,428</u>
Cash Provided by Operating Transactions	<u>39,956</u>	<u>47,436</u>
Capital Transactions		
Acquisition of Trust Assets	(5,786)	(4,264)
Proceeds of Sale of Trust Assets	11,283	14,787
Cash Provided by Capital Transactions	<u>5,497</u>	<u>10,523</u>
Investing Transactions		
Purchase of Portfolio Investments	(270,310)	(283,924)
Disposal of Portfolio Investments	265,422	275,726
Cash Applied to Investing Transactions	<u>(4,888)</u>	<u>(8,198)</u>
Financing Transactions		
Distribution to Clients, Beneficiaries and Heirs	(41,106)	(52,377)
Decrease in Cash and Cash Equivalents	(541)	(2,616)
Cash and Cash Equivalents at Beginning of Year	<u>7,312</u>	<u>9,928</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,771</u>	<u>\$ 7,312</u>

The accompanying notes and schedules are an integral part of these financial statements

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
Year Ended March 31, 2018**

	2018	2017
	<i>(in thousands)</i>	
Unrealized Gains (Losses) Attributable to:		
Investments	\$ 1,530	\$ 1,894
Foreign Exchange	156	376
Amounts Reclassified to the Statement of Operations		
Investments	(159)	139
Foreign exchange	(184)	(151)
	<u>1,343</u>	<u>2,258</u>
Increase in Net Financial Assets	1,343	2,258
Accumulated Remeasurement Gains, Beginning of Year	2,274	16
Accumulated Remeasurement Gains, End of Year	\$ 3,617	\$ 2,274

The accompanying notes and schedules are an integral part of these financial statements

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

1. AUTHORITY AND PURPOSE

Office of The Public Trustee of Alberta (“Public Trustee”) was established in 1949 pursuant to the *Public Trustee Act* and now operates under the authority of the *Public Trustee Act*, SA 2004, C.P. 44.1, (“the *Act*”) and other provincial statutes to protect the financial interests of vulnerable Albertans by administering the estates of represented adults, decedents and minors. Effective April 1, 2014, the Office of the Public Trustee merged with the Office of the Public Guardian creating the Office of the Public Guardian and Trustee (OPGT).

The mandate of the Public Trustee is to:

- a) Administer the property and finances of adults who are incapable of managing their financial affairs;
- b) Administer the estate of deceased persons;
- c) Protect property rights of children under eighteen years of age;
- d) Management of Common Fund;

The *Public Trustee Act* Section 31(2) requires (with certain exceptions) that the money received by the Public Trustee for a client be paid into the Common Fund. Section 33(3) requires any amount paid into the Common Fund for a client under section 31(2) be credited to the client’s guaranteed account (Schedule 1) with the Public Trustee. Section 31(4) of the *Act* states that no client or other person has any claim to or against the Common Fund except as provided by section 33. Section 33(6) states that the amount outstanding on a client’s guaranteed account is a charge against the assets of the Common Fund and is unconditionally guaranteed by the Crown. Section 32(1) of the *Act* states that assets may be transferred out of the Common Fund only as expressly required or permitted under the *Act*.

Section 32(2) allows funds to be transferred out of the Common Fund to pay the client, to pay an expense or a liability of the client. Amounts transferred from the Common Fund under section 32(2) are deducted from the client’s guaranteed account.

Section 34 of the *Act* states that the Public Trustee, in accordance with the Public Trustee Investment Regulation (Regulation), sets the interest rate to be credited to client guaranteed accounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(a) Basis of Financial Reporting

The financial statements have been presented to report on Office of the Public Guardian and Trustee’s fiduciary responsibilities in respect of the administration of client trusts and estates and Common Fund as required under the *Public Trustee Act* and the Public Trustee Investment Regulation.

These financial statements reflect the operations of the Common Fund and the assets held in trust and activity for the estates and trusts administered by Office of the Public Guardian and Trustee (OPGT).

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(continued)

The operating costs of Office of the Public Guardian and Trustee are paid by the Ministry of Justice and Solicitor General. As such, the operating costs are not included in these statements and can be found in the financial statements of the Ministry.

All balances except for other trust assets under administration have been prepared in accordance with Canadian Public Sector Accounting Standards. The accounting policies for other trust assets are described in Note 2(c).

(b) Common fund investments

Common Fund investments consist of bonds, debentures, mortgages, asset backed securities, shares and Exchange Traded Funds (ETF). The carrying value of all financial instruments included in the Common Fund is measured at cost or fair value. The long term investments, except shares and ETF, are reported at amortized costs less any write-down associated with a loss in value that is other than a temporary decline. Discounts and premiums arising on the purchase of fixed income securities are amortized over the term of the investment. Shares and ETF are stated at market value determined with reference to quoted market value.

Short-term investments are stated at cost, which approximates market value.

Forward foreign currency contracts are held to protect the fund from foreign currency exchange risk. Forward foreign exchange contracts are valued based on fair value.

Unrealized gains and losses are recorded in the statement of remeasurement gains and losses.

When a financial instrument is derecognized, the cumulative amount of the remeasurement gain or loss previously reported is reversed and the gain or loss on the disposal of units held by the Common Fund is recognized in the statements of operations.

Disclosure of the hierarchy of inputs used in the determination of fair value for investments is reported according to the following levels:

(a) Level one: fair value is based on quoted prices in an active market.

(b) Level two: fair value is based on model-based valuations methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.

(c) Level three: fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

Reporting Entity

These financial statements reflect the assets and liabilities of the Common Fund and estates and trusts under the administration of the Public Guardian and Trustee of Alberta. In addition, these financial statements reflect the annual changes in those assets and liabilities including:

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(continued)

- i) Revenues earned on behalf of clients;
- ii) Income received on behalf of clients;
- iii) New client account additions;
- iv) Released client withdrawals
- v) Payment made on behalf of clients; and
- vi) Administration fees payable to the Ministry of Justice and Solicitor General

The clients' equity represents funds that are available for distribution to clients or their beneficiaries.

Revenues

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The amount not received prior to the year-end is reported as accounts receivable. Purchase price premiums or discounts are amortized on a straight-line basis over the remaining term of the investment. Realized gains and losses on the disposition of Common Fund investments are recorded on the date of trade of the disposal transaction.

A portion of revenues generated by Common Fund investments are credited to clients' equity. Section 34 of the *Act* states that the Public Trustee shall set the interest rate for each category of guaranteed accounts in accordance with the Regulation. The interest is calculated on the minimum daily balance of each client's account according to the Regulation and is credited to the client's account monthly. The interest rate as at March 31, 2018 is 2.50% (2017 – 2.50%).

Expenses

All expenses are reported on the accrual basis of accounting. The cost of all goods consumed and services received during the year are expensed. Transfers from the Common Fund to the Ministry of Finance, investment management expenses related to the Common Fund investments, and assurance payments are recorded using the accrual basis of accounting with amounts incurred in the fiscal year but not paid prior to year end reflected as accounts payable and accrued liabilities.

Administrative Fees

Public Trustee fees on all official guardian accounts are calculated and collected in the month of the annual anniversary of the opening of the file. Fees are accrued for the period from the anniversary date to the date of financial statements.

Public Trustee fees for represented adult accounts are calculated and collected annually on the trust's anniversary date. Fees are accrued for the period from the anniversary date to the date of financial statements.

Public Trustee fees on decedent accounts are not collected until the trust or account is distributed. Fees are accrued from the period of the date the trust account was opened until the date of financial statements.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(continued)

In addition to the above stated administration fees the Public Trustee may, in accordance with section 40(1)(a) of the *Act*, charge the client any fee that the Public Trustee deems is reasonable for any service. Under section 40(1) (b), the Public Trustee is entitled to collect from the client any expense reasonably incurred on the client's behalf.

Administration fees paid by the clients to OPGT, with the exception of cost recoveries, are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

Cash and Cash Equivalents

Cash is comprised of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

(c) **Other Trust Assets Under Administration**

Trust assets under administration consist of accounts receivable, investments, real property and other assets that are held outside of the Common Fund. Assets acquired through new clients are recorded as direct increases to net assets and not as revenues. When assets are disposed of back to the beneficiary they are removed from net assets and not recorded as an expense.

Accounts Receivable

Accounts receivable consist of mortgages, loans, external bank account balances prior to the transfer to the Public Trustee, pension plan and other benefit and miscellaneous receivables. The accounts receivable are recorded at their estimated fair value.

Clients' Investments Outside of Common Fund

Clients' investments outside of Common Fund consists of retirement plans, registered disability savings plans (RDSPs), guaranteed investment certificates and deposits, Government bonds, shares and other securities. These assets are valued at fair value based on the information available at the time OPGT assumes responsibility.

On a go forward basis, the cost based approach for investments is considered most appropriate as it is not practical to determine the investment market value. Due to the numerous unique client investments the change in value is not easily measurable and not actively managed by OPGT.

Structured Settlements and Annuities

Structured Settlements and Annuities are recorded at the present value of their guaranteed term. If there is not a guaranteed term, the settlement or annuity is recorded at a nominal value of \$1.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

(continued)

Real Property

Real property consisting of land and buildings are tangible capital assets and are recorded at cost. The cost is considered to be the initially recorded fair value based on the property tax assessments and other information at the time OPGT assumes responsibility for the property.

Amortization is not appropriate considering the properties are held as inventory.

Other Assets

Other assets are stated at amounts determined from information available to OPGT at the date the Trustee assumes responsibility of the assets. Subsequent adjustments are made if additional valuation information is received. If no valuation is available, these assets are recorded at a nominal value of \$1.

Clients' Accounts, Mortgages and Loans Payable

Client accounts, mortgages and loans payable represent the administration fees payable to OPGT and the encumbrances of client assets that are payable to independent third parties. These client obligations are settled as client resources become available. In some cases, a client's liabilities exceed the stated value of their assets. These items are included as accounts payable when they have been verified by the creditor and are paid as the resources of the client become available.

Liabilities

All liabilities are recorded at their estimated fair value at the date of assumption of the liability.

The carrying value of all liabilities approximates their fair value.

Net Assets

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

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations.

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 cash and cash equivalents, interest and dividends receivable, accounts payable, accrued liabilities and clients' accounts are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of mortgages and loans payable are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

3. MEASUREMENT UNCERTAINTY

Measurement uncertainty exists when there is a variance between the recognized or described amount and another reasonably possible amount. In particular, the fair value of many assets is estimated at the time that OPGT assumes the responsibility for the assets. Actual results could differ from those estimates.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts revenues and expenses for the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

4. BUDGET

Budget amounts have not been disclosed as Public Guardian and Trustee's nature of operations does not provide for relevant budget amounts to be reasonably determined.

5. INTEREST AND DIVIDENDS

	2018		2017
	<i>(in thousands)</i>		
Interest and Dividends - Common Fund Investments	\$ 11,306	\$	11,766
Interest and Dividends from Clients' Investments outside of Common Fund	492		319
Interest and Dividends	\$ 11,798	\$	12,085

6. EXCESS OF REVENUES OVER EXPENSES - ALLOCATED TO CLIENTS FOR FUTURE DISTRIBUTIONS

	2018		2017
	<i>(in thousands)</i>		
Interest and Dividends from Clients' Investments outside of Common Fund	\$ 492	\$	319
Pensions, Benefits and Settlements	113,150		118,662
Total Revenues	113,642		118,981
Client Care and Maintenance	81,599		82,087
Administrative Fees	5,182		5,205
Total Expenses	86,781		87,292
Excess of Revenues over Expenses - Allocated to Clients for Future Distribution	\$ 26,861	\$	31,689

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018**

7. CASH AND CASH EQUIVALENTS

	2018		2017
	<i>(in thousands)</i>		
Operating Bank Accounts	\$ 4,764	\$	5,189
Consolidated Cash Investment Trust Fund (CCITF)	2,007		2,123
	\$ 6,771	\$	7,312

Cash and Cash Equivalents in the Consolidated Cash Investment Trust Fund (CCITF) is administered by the Ministry of Treasury Board and Finance with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio comprises high quality short-term and mid-term fixed-income securities with a maximum term-to-maturity of three years. As at March 31, 2018, securities held by the CCITF have a time-weighted rate of return of 1.06% per annum (2017 – 0.89% per annum).

8. COMMON FUND INVESTMENTS

	2018		2017		2018		2017	
	Cost		Cost		Market Value		Market Value	
	<i>(in thousands)</i>		<i>(in thousands)</i>		<i>(in thousands)</i>		<i>(in thousands)</i>	
<u>Items at Cost or Amortized Cost</u>								
Interest Bearing Securities	\$ 446,988	\$	468,579	\$	444,158	\$	453,445	
<u>Items at Fair Value</u>								
Equities Listed in Active Market	37,344		17,052		37,344		17,052	
Other Designated to Fair Value	22,990		19,348		22,990		19,348	
	60,334		36,400		60,334		36,400	
Total Common Fund Investments	\$ 507,322	\$	504,979	\$	504,492	\$	489,845	

Fair Value Hierarchy

The table below provides a summary of management's estimate of the relative reliability of data or inputs used by OPGT to measure the fair value of OPGT's investments. The measure of reliability is determined based on the following three levels:

Level One: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level one includes primarily traded listed equity investments.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

8. COMMON FUND INVESTMENTS *(continued)*

Level Two: Fair value is based on valuation methods that make use of inputs, other than quoted prices included within level one, that are observable by market participation either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level two primarily includes debt securities and derivative contracts not traded on a public exchange and public equities not traded in an active market. For these investments, fair values are either derived from a number of prices that are provided by independent pricing sources or from pricing models that use observable market data such as swap curves and credit spread.

Level Three: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. For these investments trading activity is infrequent and fair values are derived using valuation techniques.

	Level 1	Level 2	Level 3	Total
	(in thousands)			
Equities Listed in Active Market	\$ 37,344	\$ -	\$ -	\$ 37,344
Others designated to fair value	22,990	-	-	22,990
March 31, 2018 - Total	<u>\$ 60,334</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,334</u>

Financial Risk Management

OPGT is exposed to financial risks associated with the underlying securities held in the investment funds. These financial risks include credit risk, foreign currency risk, interest rate risk, price risk and liquidity risk.

OPGT investments are managed in accordance with the Statement of Investment Policies and Goals (SIP&G). The policy and goals are designed to mitigate risks by placing restrictions on the overall content, quality and quantity of permitted investments. Pursuant to the policy and goals, the investments are high quality, highly rated fixed income securities, equity investments in Canadian and foreign currency and mortgages. Exposure to foreign currencies has provided diversification benefits.

OPGT works with an investment advisor and an investment manager that actively manages the asset class allocations based on the policies and goals in the SIP&G. On a quarterly basis, the investment manager provides performance and compliance reports and meets with the Public Guardian and Trustee, the investment advisor and the Investment Advisory Committee.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

8. COMMON FUND INVESTMENTS *(continued)*

a) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with OPGT. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies usually leading to a fall in the fair value of the counterparty's obligations. Credit risk exposure for financial instruments is measured by the positive fair value of the contractual obligations with counterparties. The fair value of all investments is directly or indirectly impacted by credit risk to some degree. OPGT's investments in debt securities are with counterparties considered to be investment grade.

b) Foreign Currency Risk

OPGT is exposed to foreign currency risk associated with 4.83% (March 31, 2017 - 2.3%) of the underlying securities held in the Common Fund investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fair value of investments denominated in foreign currencies is translated into Canadian dollars using the reporting date exchange rate.

c) Interest Rate Risk

OPGT is exposed to interest rate risk associated with the underlying interest-bearing securities held in the investment funds. Interest rate risk relates to the possibility that the fair value of investments will change due to future fluctuations in market interest rates. In general, investment returns from bonds and mortgages are sensitive to changes in the level of interest rates, with longer term interest bearing securities being more sensitive to interest rate changes than shorter-term bonds. If interest rates increased by 1%, and all other variables are held constant, the potential loss in fair value to OPGT would be approximately 2.60% (March 31, 2017 – 2.7%) of total investments.

Approximately nil (March 31, 2017 - nil) of interest-bearing securities are invested with variable interest rate with minimum interest rate risk exposure.

d) Price Risk

Price risk relates to the possibility that equity investments will change in fair value due to future fluctuations in market prices caused by factors specific to an individual equity investment or other factors affecting all equities traded in the market. OPGT is exposed to price risk associated with the underlying equity investments held in investment funds. If equity market indices (S&P/TSX, S&P500, S&P1500 and MSCI ACWI and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to OPGT would be approximately 0.7% (March 31, 2017 – 0.3%) of total investments.

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018

8. **COMMON FUND INVESTMENTS** *(continued)*

e) **Liquidity Risk**

Liquidity risk arises if OPGT should encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements of OPGT are met through income generated from investments, clients' revenues and by investing in publicly traded liquid assets traded in active market that are easily sold and converted to cash. These sources of cash are used to pay clients' obligations, their operating expenses and settle clients' final payments associated with the termination of OPGT's responsibilities towards clients.

OPGT currently has minimal liquidity risk.

9. **OTHER TRUST ASSETS UNDER ADMINISTRATION**

	2018	2017
	<i>(in thousands)</i>	
a) Trust assets under administration		
Accounts Receivable	\$ 9,915	\$ 9,526
Real Property	23,779	25,734
Other Assets	5,390	4,460
Clients' Investments Outside the Common Fund	60,523	56,613
Annuities	40,953	45,404
Total Other Trust Assets Under Administration	140,560	141,737
Clients' Accounts, Mortgages, and Loans Payable	(47,039)	(47,009)
Other Trust Assets Under Administration	93,521	94,728
(Decrease) Increase in Other Trust Assets Under Administration, net	\$ (1,207)	\$ 3,005
b) Trust Assets Acquired		
(Decrease) Increase in Other Trust Assets Under Administration	\$ (1,207)	\$ 3,005
Assets Released to Clients, Beneficiaries and Heirs	34,784	22,527
Proceeds on Sale of Trust Assets	11,283	14,787
Acquisition of Trust Assets	(5,786)	(4,264)
Interest and Dividends from Clients' Investments outside of Common Fund	(492)	(319)
Trust Assets Acquired	\$ 38,582	\$ 35,736

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018**

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
	<i>(in thousands)</i>	
Transfer from Common Fund to Ministry of Justice	\$ 2,454	\$ 1,655
Accrued Investment Fees and Other Payable	164	171
Accounts Payable and Accrued Liabilities	\$ 2,618	\$ 1,826

11. CLIENTS' ACCOUNTS, MORTGAGES AND LOANS PAYABLE

	2018	2017
	<i>(in thousands)</i>	
Accounts Payable	\$ 36,626	\$ 36,251
Administrative Fees Payable	6,847	7,259
Mortgage and Loans Payable	3,566	3,499
	\$ 47,039	\$ 47,009

The five year repayment schedule for mortgage and loans payable is not presented due to the uncertainty in timing for the clients' account settlements.

12. RELATED PARTY TRANSACTIONS

	2018	2017
	<i>(in thousands)</i>	
Statement of Financial Position		
Transfer from Common Fund to Ministry of Justice	\$ 2,454	\$ 1,655
Administration Fees Payable	6,847	7,259
Statement of Operations		
Administrative Fees	\$ 5,182	\$ 5,205
Transfer from Common Fund to Ministry of Justice	2,454	1,655

Transfers to the Ministry of Justice consist of system development costs to replace the legacy system and management fees that are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

Estate administration fees charged to clients' accounts, with the exception of cost recoveries, are remitted to the Minister of Finance and are included in the revenues of the Ministry of Justice and Solicitor General.

The *Public Trustee Act* states that unclaimed property must be held for at least ten years from the date of an order declaring the person to be missing or after the date that the Public Trustee publishes a notice in The Alberta Gazette. After ten years of inactivity, trust balances held by the OPGT may be transferred to the Ministry of Justice. For the year ended March 31, 2018 the

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
Notes to Financial Statements
Year Ended March 31, 2018**

12. RELATED PARTY TRANSACTIONS *(continued)*

amount transferred was \$143 (2017 - \$1,138). The amount appears on the financial statements as part of the Cash Distributions to Clients, Beneficiaries and Heirs.

The operating costs of the Public Trustee portion of OPGT are included in the financial statements of the Ministry of Justice and Solicitor General. For the year ended March 31, 2018, the operating costs were \$18,013 (2017 - \$18,875).

13. CONTINGENT LIABILITIES

(in thousands)

The OPGT has been named in two (2017: two) claims of which the outcome is not determinable. Two of these claims have specified amounts totaling \$6,650 (2017: two claims with a specified amount of \$20,900). Two of the claims amounting to \$3,400 (2017: two claims totaling to \$17,650) are covered in whole or in part by the Alberta Risk Management Fund. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount.

14. CONTINGENT ASSETS

The OPGT has 38 claims on behalf of clients for which the outcome is not determinable.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

16. APPROVAL OF FINANCIAL STATEMENTS

The Executive Director and Acting Public Trustee and the Assistant Deputy Minister of Justice and Solicitor General - Justice Services Division approved these financial statements.

**OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE
ESTATES AND TRUSTS
SCHEDULE TO THE FINANCIAL STATEMENTS
CLIENTS' GUARANTEED ACCOUNTS
As at March 31, 2018**

Schedule 1

	2018	2017
	<i>(in thousands)</i>	
Clients' Equity	\$ 526,830	\$ 527,102
Clients' Accounts, Mortgages, and Loans Payable	<u>47,039</u>	<u>47,010</u>
Total Clients' Liabilities and Equity	573,869	574,112
Less: Other Trust Assets Under Administration	<u>140,560</u>	<u>141,736</u>
Clients' Guaranteed Accounts	<u>\$ 433,309</u>	<u>\$ 432,376</u>

Other Financial Information

Other Financial Information

The following information is unaudited.

Statement of Compromises and Write-offs

Civil Law Legal Services Delivery

Fine Activity Information

Fine Collection Cost Estimates

STATEMENT OF COMPROMISES AND WRITE-OFFS
For the Year Ended March 31, 2018
(Unaudited)
(in thousands)

The following Statement of Compromises and Write-offs has been prepared pursuant to Section 23 of the *Financial Administration Act*. The statement includes all compromises and write-offs that the Ministry of Justice and Solicitor General made or approved during the fiscal year.

Compromises:	
Motor Vehicle Accident Recoveries	\$ <u> -</u>
Write-offs:	
Motor Vehicle Accident Recoveries	\$ 6,673
Fines	7,481
Fines – Late Payment Penalty	2,181
Abandoned and Seized Vehicles	938
Maintenance Enforcement	<u>739</u>
	<u>\$ 18,012</u>
Total Compromises and Write-offs	<u><u>\$ 18,012</u></u>

CIVIL LAW LEGAL SERVICES DELIVERY Current and Prior Year Comparison (Unaudited)

Staff Providing Services

Civil Law provides legal and related strategic services to all government ministries. Civil Law maintains a time keeping system to enable its lawyers, paralegals and articling students to record and report the hours of legal services provided in total to each ministry and their respective programs. In 2017-18, 318 lawyers, paralegals and articling students recorded in excess of 297,000 hours of provided legal services and in 2016-17, 325 such staff recorded more than 308,000 hours. The total hours of service to each Ministry is used as the basis to allocate legal services costs.

Cost of Legal Services

The costing methodology to estimate the costs for providing legal services for allocation to all client ministries includes the total cost of Civil Law less expenditures on contracted services and grants to third parties. A proportionate amount for support services provided by Corporate Support Services, Human Resource Services, and Information Management and Technology Services are included in the estimate. The estimate includes accommodation costs for office space in government owned or leased buildings as paid by and reported by the Ministry of Infrastructure and also includes all or part of salary and benefit costs for lawyers paid directly by client ministries. The estimated costs are allocated to each ministry based on the hours of service received. The Ministry of Justice and Solicitor General, as a service provider, sends the legal services cost information to each ministry for disclosure in the Related Party Transactions Schedule and the Allocated Costs Schedule to the Financial Statements of each ministry's annual report.

Current and Prior Year Comparison

The table below summarizes the estimated cost of allocated legal services, the number of hours allocated and the average hourly cost.

Cost Estimates	<u>2017-18</u>	<u>2016-17</u>
Total Civil Law Costs	\$ 49,541,168	\$ 51,040,085
Deduct Contract Services, Grants, and Amortization	<u>768,768</u>	<u>1,169,587</u>
	\$ 48,772,400	\$ 49,870,498
Add: Support Services	1,960,318	1,979,244
Accommodation	2,553,385	2,501,574
Client Cost for Lawyers	<u>2,866,420</u>	<u>2,810,703</u>
Total Legal Services Costs for Allocation	<u>\$ 56,152,523</u>	<u>\$ 57,162,020</u>
Number of Hours of Service Provided	296,810	308,221
Average Hourly Cost	\$ 189.19	\$ 185.46

FINE ACTIVITY INFORMATION (Unaudited)

Federal and Provincial Statute Offences and Municipal Bylaw Offences

A management information report summarizes fine activity by the recipients entitled to the fine or penalty revenue. The municipalities receive specific provincial statute offence fines and all municipal bylaw fines for offences occurring within municipal boundaries. The majority of municipal fine activity occurs in cities, towns, counties and municipal districts. The Alberta government receives fine revenue for provincial statute offences occurring on primary highways and other specific provincial statute offences. The Alberta government receives any late payment penalties on overdue fines and some fines under the *Criminal Code of Canada* and retains 26 2/3 percent of *Traffic Safety Act* fines. The Victims of Crime Fund receives a 15 percent surcharge on all provincial statute fines and a 30 per cent surcharge on selected federal statute offences. These surcharge revenues are used to fund victims programs in Alberta. The federal government receives fine revenue for federal statute offences and selected fines under the *Criminal Code*.

The tables below summarize fines payments for the twelve months from April 2017 to March 2018 and for the twelve months from April 2016 to March 2017 by the recipient level of government.

Fine Payments – April 2017 to March 2018

Recipient	Number of Fine Payments	Dollar Value of Fine Payments	Percent of Total Dollar Value
Municipalities	2,014,724	\$ 200,765,042	51.2%
Alberta Government	241,911	39,381,146	10.1%
Victims of Crime Fund	Note	44,643,426	11.4%
Federal Government	1,196	774,687	0.2%
Late Payment Penalty	1,032,008	31,251,183	8.0%
Fine Retention	Note	75,026,960	19.1%
Total	3,289,839	\$ 391,842,444	100.0%

Fine Payments – April 2016 to March 2017

Recipient	Number of Fine Payments	Dollar Value of Fine Payments	Percent of Total Dollar Value
Municipalities	2,137,477	\$ 210,633,115	51.8%
Alberta Government	238,037	39,868,514	9.8%
Victims of Crime Fund	Note	46,663,778	11.5%
Federal Government	1,302	801,442	0.2%
Late Payment Penalty	1,038,954	31,396,540	7.7%
Fine Retention	Note	77,654,869	19.1%
Total	3,415,770	\$ 407,018,258	100.0%

Note: The Number of Fine Payments for Victims of Crime Fund and Fine Retention have been accounted for in the other recipient categories.

FINE COLLECTION COST ESTIMATES (Unaudited)

Overview

Costing methodologies have been developed to estimate the cost of collecting a provincial statute fine and the cost of collecting a federal statute (*Criminal Code* and other) fine. The estimated cost of collecting a provincial statute fine is related to the number of violation tickets received by all Provincial Court offices in Alberta. The estimated cost of collecting a federal statute fine is related to the approximate number of Fine Orders in all Provincial Court offices. The estimated costs are those incurred by Alberta Justice and Solicitor General in Resolution and Court Administration Services, Alberta Crown Prosecution Service, Justice Services, and Corporate Services.

Estimated Cost of Collecting a Provincial Statute Fine – 2017-18 and 2016-17

There were 2.36 million violation tickets received by all Provincial Court offices in 2017-18 and 2.56 million in 2016-17. The major cost components for Resolution and Court Administration Services are the Calgary and Edmonton Provincial Traffic Courts, ticket processing costs in the Regional Provincial Courts and the cost of violation ticket printing and direct general and regional overhead expenditures. Alberta Crown Prosecution Service costs include paralegal prosecutors and support staff and first appearance centres in Calgary and Edmonton. Justice Services and Corporate Services costs are for the operation and maintenance of the Justice Online Information Network (JOIN) system applicable to violation tickets and for postage and handling of the Notice of Conviction mail-outs.

The table below summarizes the provincial statute and municipal bylaw fine payments received and the cost for violation tickets received by all provincial courts.

		<u>2017-18</u>	<u>2016-17</u>
Total Provincial Statute and Municipal Bylaw Payments Received			
Provincial Acts - Fine and Surcharge		\$ 329,882,657	\$ 345,053,606
Municipal Bylaw		20,009,036	19,347,982
Late Payment Penalty		31,251,183	31,396,540
Total Violation Ticket Payments	A	<u>\$ 381,142,876</u>	<u>\$ 395,798,128</u>
Cost for Violation Tickets Received by All Courts			
Total Estimated Cost	B	\$ 42,030,596	\$ 40,013,000
Cost per Dollar Collected	(B/A)	\$ 0.11	\$ 0.10

Estimated Cost of Collecting a Federal Statute Fine – 2017-18 and 2016-17

There were 71,572 Fine Orders in all Provincial Court offices in 2017-18 and 74,542 in 2016-17. The major cost components for Resolution and Court Administration Services are the salary and benefit costs of court staff and Provincial Court Judges with associated supplies and services costs. Alberta Crown Prosecution Service costs are primarily the salary and benefit costs of the Crown prosecutors and for the operation and maintenance of the JOIN system applicable to criminal case tracking. Justice Services pays for the salary and other operating costs for the Fines Enforcement Unit that collects Criminal Code fines on behalf of all courts in the province.

The table below summarizes the federal statute fine payments received and the cost for all Fine Orders prepared by all Provincial Court offices.

		<u>2017-18</u>	<u>2016-17</u>
Total Federal Statute Payments Received			
Federal Acts - Fine and Surcharge	A	\$ 10,702,274	\$ 11,222,504
Cost for Fine Orders by All Courts			
Resolution and Court Administration Services and Alberta Crown Prosecution Service		\$ 26,919,700	\$ 31,021,886
Justice Services and Corporate Services		<u>1,068,324</u>	<u>1,066,593</u>
Total Estimated Cost	B	\$ 27,988,024	\$ 32,088,479
Cost per Dollar Collected	(B/A)	\$ 2.62	\$ 2.86

Annual Report Extracts and Other Statutory Reports

The *Criminal Code* requires the Minister of Justice and Solicitor General to report annually on the following parts of the *Act*.

Criminal Code s.83.31 – Anti-Terrorism Act

Section 83.31 of the *Criminal Code* requires the Attorney General of Alberta to publish an annual report on the operation of those parts of the *Act* dealing with investigative hearings and recognizance with conditions.

This constitutes the annual report of the Attorney General of Alberta covering the period from December 24, 2016 to December 24, 2017.

I. Report on the Operation of sections 83.28 and 83.29

(Investigative Hearing)

The Attorney General of Alberta reports that there were no applications initiated under these sections of the *Criminal Code*. As such, there is no data to report in relation to the reporting requirements under paragraphs 83.31(1)(a) to (c) of the *Criminal Code*.

II. Report on the Operation of Section 83.3

(Recognizance with Conditions)

The Attorney General of Alberta reports that there were no cases initiated under this section of the *Criminal Code*. As such, there is no data to report in relation to the reporting requirements in paragraphs 83.31(2)(a) to (f) of the *Criminal Code*.

Criminal Code s.83.3 (3) – Anti-Terrorism Act

In accordance with subsection 83.3(4) of the *Criminal Code*, a peace officer who suspects, on reasonable grounds, that the detention of a person is necessary to prevent a terrorist activity, may arrest the person without a warrant.

Pursuant to subsection 83.31(3) of the *Criminal Code*, the minister responsible for policing in every province shall publish or otherwise make available to the public an annual report for the previous year on the operation of subsection 83.3 of the *Criminal Code* that includes:

- The number of arrests without warrant that were made under subsection 83.3(4) and the period of the arrested person's detention in custody in each case; and
- The number of cases in which a person was arrested without warrant under subsection 83.3(4) and was released.

Information has been received from all police services in Alberta indicating that no arrests were made under this subsection in the previous year; therefore, the report for 2017 is zero.

Criminal Code s.25.3 – Organized Crime and Law Enforcement – Designations

Section 25.3 of the *Criminal Code* provides a limited justification for otherwise illegal acts and omissions by law enforcement officers, and others acting at their discretion. An essential condition is that it can apply only to officers designated by a competent authority. In the case of municipal police services, the Minister of Justice and Solicitor General is the competent authority.

The competent authority is responsible for publishing an annual report on the designations and authorizations provided under subsections 24.1 to 25.4 of the *Criminal Code*. This report shall include information on the amount and nature of the acts or omissions committed by those officers designated under this legislation.

Alberta began designating officers under this legislation in March 2003. The designations for January 1 to December 31, 2017 include:

- Number of times that acts and omissions were committed: one
- Nature of conduct being investigated: murder
- Nature of act or omission: Mischief Under \$5000

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Disclosure (Whistleblower Protection) Act* requires the chief officer of a department to report annually on all disclosures made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.

This constitutes the annual report of the chief officer of the department covering the period of April 1, 2017 to March 31, 2018.

Chief Officer Report as at March 31, 2018

In relation to the reporting requirements under section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act*, designations for April 1, 2017 to March 31, 2018 include:

- Number of disclosures of wrongdoing: three
- Number of investigations and reports submitted: one file is under investigation and the other two are still being evaluated with a decision on investigation pending.
- Number of wrongdoings identified: zero