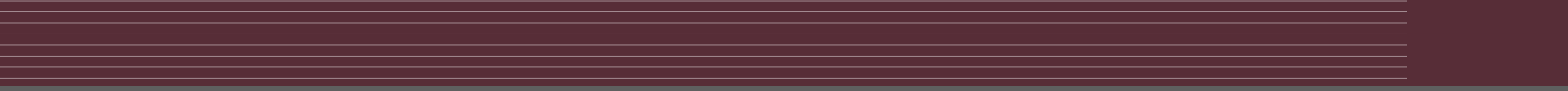


FINANCIAL INFORMATION

0506



**MINISTRY OF SENIORS AND COMMUNITY SUPPORTS**

**Consolidated Financial Statements**

March 31, 2006

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Consolidated Financial Statements

March 31, 2006

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# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Auditor's Report



To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Seniors and Community Supports (the Ministry) as at March 31, 2006 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 17, consolidated expenses include payments made by Persons with Developmental Disabilities Boards for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn, FCA**  
Auditor General

Edmonton, Alberta  
May 19, 2006

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Consolidated Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 3)	Actual	Actual (Note 3)
Revenues (Schedule 1)			
Transfers from the Government of Canada	\$ 276,830	\$ 263,680	\$ 258,061
Premiums, fees and licenses	1,095	1,446	1,370
Investment income	1,331	2,636	1,456
Other revenue	3,685	6,908	28,437
	282,941	274,670	289,324
Expenses - Directly Incurred (Note 2(c) and Schedules 2 and 5)			
Providing services, programs and planning for seniors and the aging population	335,279	340,179	268,636
Providing supports, services, and planning for persons with disabilities	985,006	990,778	871,775
Supporting the provision and ongoing management of housing for lower-income Albertans	160,789	233,184	165,369
Providing supports to enhance choice and well-being for clients of the Ministry	121,365	173,361	88,662
Ministry support services	8,363	7,932	5,091
Grants in kind	19,224	18,914	19,190
Debt servicing costs	38,983	38,983	41,212
	1,669,009	1,803,331	1,459,935
Valuation adjustments			
Provision for (recovery of) losses on:			
Doubtful accounts	100	(3)	237
Vacation pay	687	974	890
Guarantees, indemnities, and mortgages	85	(34)	(454)
Tangible capital assets	-	-	(58)
	872	937	615
	1,669,881	1,804,268	1,460,550
Gain (loss) on disposal of tangible capital assets	28,135	25,460	31,734
Net operating results	\$ (1,358,805)	\$ (1,504,138)	\$ (1,139,492)

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

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Consolidated Statement of Financial Position

As at March 31, 2006  
(thousands of dollars)

	2006	2005 (Note 3)
<b>Assets</b>		
Cash (Note 4)	\$ 124,057	\$ 95,464
Accounts receivable (Note 5)	66,967	53,486
Inventories	470	404
Loans and advances (Note 6)	20,166	30,221
Deferred financing charges	1,210	1,415
Long-term Investments (Note 7)	3,480	3,335
Tangible capital assets (Note 8)	723,040	755,889
	<b>\$ 939,390</b>	<b>\$ 940,214</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 336,417	\$ 145,197
Allowance for losses on guarantees and indemnities (Note 9)	93	126
Advance from Alberta Finance	-	33,875
Long-term debt (Note 10)	422,307	448,477
	<b>758,817</b>	<b>627,675</b>
<b>Net Assets</b>		
Net assets at beginning of year (Note 3)	312,539	310,393
Net operating results	(1,504,138)	(1,139,492)
Net transfer from General Revenues	1,372,172	1,141,638
	<b>180,573</b>	<b>312,539</b>
	<b>\$ 939,390</b>	<b>\$ 940,214</b>

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

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Consolidated Statement of Cash Flows

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
		(Note 3)
Operating transactions		
Net operating results	\$ (1,504,138)	\$ (1,139,492)
Non-cash items included in net operating results		
Amortization	24,037	24,212
Amortization of deferred financing charges	205	214
Grants in kind	18,914	19,190
Gain on disposal of tangible capital assets	(25,460)	(31,734)
Valuation adjustments and other provisions	937	615
	(1,485,505)	(1,126,995)
Increase in accounts receivable before valuation adjustments	(13,478)	(18,161)
(Increase) decrease in inventories	(66)	19
Increase in accounts payable and accrued liabilities before valuation adjustments	190,246	43,419
Cash applied to operating transactions	(1,308,803)	(1,101,718)
Capital transactions		
Disposal of tangible capital assets	16,969	21,217
Acquisition of tangible capital assets	(1,372)	(671)
Contributions in kind	(239)	-
Cash provided by capital transactions	15,358	20,546
Investing transactions		
Repayments of loans and advances	10,112	3,711
Additions to long-term investments	(145)	(167)
Additions to loans and advances	(56)	(12,356)
Cash provided by (applied to) investing transactions	9,911	(8,812)



## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Consolidated Statement of Cash Flows (continued)

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
		(Note 3)
Financing transactions		
Net transfer from General Revenues	1,372,172	1,141,638
Repayment of advance from Alberta Finance	(33,875)	(1,025)
Repayment of long-term debt	(26,170)	(23,974)
	1,312,127	1,116,639
Increase in cash	28,593	26,655
Cash, beginning of year	95,464	68,809
Cash, end of year	\$ 124,057	\$ 95,464

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

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Minister of Seniors and Community Supports has, by the *Government Organization Act* and its regulations, been designated responsible for various Acts. To fulfill these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Seniors and Community Supports.

The purpose of the Ministry is to provide supports, services, programs and information and strategic planning that contribute to the inclusion, well-being and independence of seniors, persons with disabilities, and persons in need of housing supports.

This is done by:

- Providing services, programs, and planning for seniors and the aging population.
- Providing supports, services, and planning for persons with disabilities.
- Supporting the provision and on-going management of housing for lower-income Albertans.
- Providing supports to enhance choice and well-being for clients of the Ministry.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These consolidated financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

#### (a) Reporting Entity

The reporting entity is the Ministry of Seniors and Community Supports. The *Government Accountability Act* defines a Ministry as including the Department of Seniors and Community Supports and any Provincial agency and Crown-controlled organization for which the Minister is responsible.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (a) Reporting Entity (continued)

These consolidated financial statements include the accounts of the following organizations:

Organization	Authority
Department of Seniors and Community Supports (Department)	<i>Government Organization Act</i>
Alberta Social Housing Corporation (ASHC)	<i>Alberta Housing Act</i>
Persons with Developmental Disabilities Provincial Board and Community Boards	<i>Persons with Developmental Disabilities Community Governance Act</i>

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by the departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

#### (b) Basis of Consolidation

The accounts of the organizations listed in Note 2(a) above have been consolidated. Revenue and expense transactions, investing and financing transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

#### (c) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual method of accounting with the exception of interest on Rural and Native mortgages that are classified as non-accrual. Rural and Native mortgages are classified as non-accrual when payments are sixty days in arrears. Interest on non-accrual loans is recorded on a cash basis.

Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (c) Basis of Financial Reporting (continued)

##### 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.

Grants are recognized when authorized and eligibility criteria are met.

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.
- debt servicing cost on long term debt.
- 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, and guarantees and indemnities.

##### *Incurred by Others*

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 5.

##### Assets

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

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost method.

Loans and advances include mortgages that are reported at cost less provisions for losses, and agreements receivable. Cost of mortgages includes amounts advanced, accrued interest, and other charges, less repayments and subsidies.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (c) Basis of Financial Reporting (continued)

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded 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 \$100. The threshold for all other tangible capital assets is \$5. All land and work in progress are capitalized at cost and not amortized.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When tangible capital assets are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these tangible capital assets less any nominal proceeds are recorded as grants in kind.

Deferred charges on debt financing are amortized over the life of the debt on a straight-line basis.

#### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### Net Assets/Net Liabilities

Net assets/net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

#### 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 accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments. Fair values of loans and advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timelines or cost to estimate the fair value with sufficient reliability.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (c) Basis of Financial Reporting (continued)

##### Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Included in Accounts payable and accrued liabilities is an estimate of the eventual settlement resulting from a class action lawsuit in the amount of \$9,345, which is subject to measurement uncertainty. Depending on the actual number and type of claims filed, the actual amount of the settlement could differ significantly from that estimated.

### NOTE 3 GOVERNMENT RESTRUCTURING

As a result of government restructuring announced on March 2, 2005 (OC104/2005), the responsibility for the Alberta Aids to Daily Living program was transferred from the Ministry of Health and Wellness.

Comparatives for 2005 have been restated as if the Ministry had always been assigned its current responsibilities.

Net assets as previously reported at March 31, 2004	\$ 316,822
Transfer from Ministry of Health and Wellness	(6,429)
	<hr/>
Net assets as restated at April 1, 2004	\$ 310,393
	<hr/>
Net operating results reported March 31, 2005	\$ (1,058,829)
Transfer from Ministry of Health and Wellness	(80,663)
	<hr/>
Restated net operating results March 31, 2005	\$ (1,139,492)

The Rural Affordable Supportive Living program was transferred from the Department of Infrastructure and Transportation effective April 1, 2005. There were no comparative expenses under this program for the period ended March 31, 2005.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 4 CASH

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed by Alberta Finance with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. Interest is earned on the Ministry's daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates. Due to the short-term nature of these deposits the carrying value approximates fair value.

### NOTE 5 ACCOUNTS RECEIVABLE

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Management organizations	\$ 20,574	\$ -	\$ 20,574	\$ 24,553
Government of Canada	28,953	-	28,953	27,035
Accounts receivable	17,592	152	17,440	1,898
	<u>\$ 67,119</u>	<u>\$ 152</u>	<u>\$ 66,967</u>	<u>\$ 53,486</u>

Accounts receivable are unsecured and non-interest bearing.

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Consolidated Financial Statements

Year ended March 31, 2006

(thousands of dollars)

#### NOTE 6 LOANS AND ADVANCES

	2006			2005
	Gross Amount	Allowance for Losses	Net Realizable Value	Net Realizable Value
Program mortgages <sup>(a)</sup>	\$ 9,945	\$ 6	\$ 9,939	\$ 12,827
Agreements receivable <sup>(b)</sup>	10,077	-	10,077	17,306
Other receivables	150	-	150	88
	\$ 20,172	\$ 6	\$ 20,166	\$ 30,221

<sup>(a)</sup> These mortgages are provided under the Rural and Native Housing program with payments based on an amortization period of 25 years and five-year interest renewal terms.

<sup>(b)</sup> Agreements receivable represent amounts receivable for land sales.

#### NOTE 7 LONG TERM INVESTMENTS

The market value at March 31, 2006 is \$3,641 (2005 - \$3,461).

Pursuant to a recent legal opinion, the investment in the Bond Fund has been determined to be unrestricted.



# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 8 TANGIBLE CAPITAL ASSETS

	Estimated Useful Life (years)	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value (Note 3)
Land	N/A	\$ 5,405	\$ -	\$ 5,405	\$ 11,605
Housing properties	10 to 50	1,219,779	504,420	715,359	742,206
Leasehold improvement	10	48	6	42	-
Computer hardware and software	5	4,821	3,979	842	533
Equipment	10	4,158	2,766	1,392	1,545
		<b>\$ 1,234,211</b>	<b>\$ 511,171</b>	<b>\$ 723,040</b>	<b>\$ 755,889</b>

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 9 GUARANTEES AND INDEMNITIES

The Ministry has outstanding guarantees that were issued by the Alberta Social Housing Corporation on the sale of certain of its mortgages whereby the Corporation will reimburse mortgagees for any losses that may occur on default by mortgagors. Any claims for losses by the mortgagees will be reduced by the amounts realized from the sale of the underlying properties.

Guaranteed amounts, the last of which was guaranteed on March 30, 1994, are as follows:

	2006	2005
Mortgages on single family properties, guaranteed to 2015	\$ -	\$ 34
Mortgages on multi-unit rental properties and land, guaranteed to:		
2007	543	559
2009	125	182
2011	26,779	29,531
	27,447	30,272
	\$ 27,447	\$ 30,306

Under the former mobile home loan insurance program, the Ministry through the Alberta Social Housing Corporation has agreed to indemnify losses on mobile home loans issued by financial institutions. The outstanding loans as at March 31, 2006 amount to \$1,203 (2005 - \$1,906). This program was terminated effective October 1, 1993. However, the Ministry through the Alberta Social Housing Corporation has an ongoing commitment on insurance policies remaining in force.

An allowance for losses has been made on these guarantees and indemnities in the amount of \$93 (2005 - \$126).

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 10 LONG-TERM DEBT

The Ministry's long-term debt and exposure to interest rate risk is as follows:

	2006	2005
Debentures payable:		
Canada Mortgage and Housing Corporation <sup>(a)</sup>	\$ 78,512	\$ 79,654
Alberta Heritage Savings Trust Fund <sup>(b)</sup>	80,927	88,340
Note payable to Alberta Finance <sup>(c)</sup>	262,868	280,483
	<u>\$ 422,307</u>	<u>\$ 448,477</u>

<sup>(a)</sup> maturing January 2023 to January 2030 with a weighted average effective rate of 9.63%.

<sup>(b)</sup> maturing June 2011 to January 2012 with a weighted average effective rate of 17.41%.

<sup>(c)</sup> maturing September 16, 2016 with an effective rate of 5.93%.

The Province of Alberta guarantees the repayment of principal and interest on all borrowings.

The debentures, including interest thereon, are repayable in equal annual or semi-annual installments, and the note payable is repayable in equal semi-annual installments.

Approximate aggregate repayments of principal due in each of the next five years are:

2007	\$ 28,626
2008	31,381
2009	34,478
2010	37,970
2011	41,915
Thereafter	<u>247,937</u>
	<u>\$ 422,307</u>

Long-term debt has a fair value of \$119,794 for Canada Mortgage and Housing Corporation debentures, \$113,925 for Alberta Heritage Savings Trust Fund debentures and \$283,657 for Note payable to Alberta Finance. Fair values for debt are based on the Province of Alberta's current borrowing rates, which are available to the Ministry for debt with similar terms and maturities.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 11 CONTRACTUAL OBLIGATIONS

As at March 31, 2006 the Ministry has the following contractual obligations:

	2006	2005
Agreements <sup>(a)</sup>	\$ 258,252	\$ 268,440
Service contracts	14,129	36,788
Long-term leases	44,429	45,913
	<b>\$ 316,810</b>	<b>\$ 351,141</b>

<sup>(a)</sup> The Ministry has long-term agreements with non-profit organizations and providers of rent supplement units.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2006				2005
	Agreements	Service Contracts	Leases	Total	Total
2006	\$ -	\$ -	\$ -	\$ -	\$ 56,331
2007	30,929	9,509	1,598	42,036	19,995
2008	15,696	4,508	1,446	21,650	18,029
2009	13,754	112	1,390	15,256	15,243
2010	13,739	-	1,354	15,093	15,212
2011	13,239	-	1,347	14,586	14,586
Thereafter	170,895	-	37,294	208,189	211,745
	<b>\$ 258,252</b>	<b>\$ 14,129</b>	<b>\$ 44,429</b>	<b>\$ 316,810</b>	<b>\$ 351,141</b>

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 12 TRUST FUNDS UNDER ADMINISTRATION

The Ministry administers trust funds 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.

At March 31, 2006 the trust funds under administration were as follows:

	2006	2005
Gunn Centre resident trust fund	\$ 10	\$ 11
Persons with Developmental Disabilities Community Boards' client trust funds	353	370
	<u>\$ 363</u>	<u>\$ 381</u>

Separate bank accounts are maintained for these funds.

### NOTE 13 CONTINGENCIES

The Ministry has a contingent liability in respect of five claims (2005 – six claims) aggregating \$2,987 (2005 – \$2,100) relating to decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined.

As at March 31, 2006, the Ministry is a defendant in twelve legal claims (2005 – twelve legal claims). Nine of these claims have specified amounts totalling \$15,680 (2005 – twelve claims with a specified amount of \$8,865). Included in the total legal claims are eight claims amounting to \$14,905 (2005 – nine claims amounting to \$8,090) in which the Ministry has been jointly named with other entities. Four claims amounting to \$6,670 (2005 – six claims amounting to \$7,825) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Consolidated Financial Statements

Year ended March 31, 2006

(thousands of dollars)

#### NOTE 14 HOUSING PROPERTIES

The Ministry supports the provision of seniors, family and special-purpose housing through management organizations. Grants are provided to management organizations that have expenses in excess of revenues, and recoveries are made from management organizations that have revenues in excess of expenses. Management organizations do not record expenses for amortization and interest on long-term debt on buildings. These costs are incurred and recorded by Alberta Social Housing Corporation.

Information on revenues and expenses of management organizations is disclosed so as to provide the reader with an understanding of the scope of the housing services being provided.

	2006	2005
Revenues	\$ 99,482	\$ 112,647
Expenses	(122,872)	(112,818)
Net operating results	\$ (23,390)	\$ (171)

The above results are recorded on the statement of operations for the year as follows:

	2006	2005
Recoveries from management organizations	\$ 533	\$ 995
Current year reserve accounts at management organizations	-	10,679
Grants to management organizations	(23,923)	(11,845)
Net results	\$ (23,390)	\$ (171)
Prior years' reserve accounts at management organizations recorded in the current year	\$ -	\$ 10,510

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 15 PROGRAM RECOVERIES

Cost-sharing agreements provide for a contribution by Canada Mortgage and Housing Corporation towards the capital costs, subsidies on rental properties, mortgages and for certain administration and net operating results on approved social housing program projects.

#### NOTE 16 DEFINED BENEFIT PLANS

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$8,032 for the year ended March 31, 2006 (2005 – \$6,835).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of \$165,895 (2004 – \$268,101) and the Public Service Pension Plan reported a deficiency of \$187,704 (2004 – \$450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$10,018 (2004 – \$9,404).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of \$8,699 (2005 – \$11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$8,309 (2005 – \$3,208). The expense for these two plans is limited to the employer's annual contributions for the year.

#### NOTE 17 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies which were receiving services prior to the passing of the Act but which no longer met these new criteria for Persons with Development Disabilities (PDD) supports were grandfathered into the new PDD service system. In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD boards continue providing services to grandfathered individuals and agencies until service responsibility is handed-off to a more appropriate provincial program.

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Consolidated Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### **NOTE 17 GRANDFATHERED CLIENTS** (continued)

Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act. The total cost of these services for 89 individuals that have been included in the Consolidated Statement of Operations is estimated to be \$2,794 (2005 – 104 individuals with a cost of \$3,131). The total cost for 3 agencies that have been included in the Statement of Operations is estimated to be \$1,458 (2005 – 3 agencies with a cost of \$1,447).

#### **NOTE 18 SUBSEQUENT EVENT**

Bill 30, the *Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006* received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

#### **NOTE 19 COMPARATIVE FIGURES**

Certain 2005 figures have been reclassified to conform to 2006 presentation.

#### **NOTE 20 APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister of the Ministry.



# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Revenue

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 1

	2006		2005
	Budget	Actual	Actual (Note 3)
Transfers from the Government of Canada			
Recoveries from Canada Social Transfers	\$ 182,713	\$ 160,469	\$ 156,444
Recoveries from Canada Mortgage and Housing Corporation	85,342	91,821	93,617
Recoveries from Indian and Northern Affairs Canada	8,775	11,390	8,000
	276,830	263,680	258,061
Premiums, fees and licenses	1,095	1,446	1,370
Investment income			
Interest	1,331	2,636	1,456
Other revenue			
Recoveries from management organizations	-	533	22,184
Contributions in kind	-	239	-
Refunds of expenses	2,635	4,850	4,308
Sales	-	209	299
Miscellaneous	1,050	775	1,020
Rental properties	-	302	626
	3,685	6,908	28,437
	\$ 282,941	\$ 274,670	\$ 289,324

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Expenses - Directly Incurred By Object

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 2

	2006		2005
	Budget	Actual	Actual (Note 3)
Expenses			
Salaries, wages and employee benefits	\$ 128,350	\$ 122,568	\$ 110,797
Supplies and services	298,666	320,048	284,726
Supplies and services from support service arrangements with related parties <sup>(a)</sup>	1,288	820	33
Grants	1,177,053	1,297,347	999,851
Debt servicing costs	38,983	38,983	41,212
Other	85	126	90
Amortization of tangible capital assets	24,584	24,037	24,212
Total expenses before recoveries	1,669,009	1,803,929	1,460,921
Less: Recovery from support service arrangements with related parties <sup>(b)</sup>	-	(598)	(986)
	\$ 1,669,009	\$ 1,803,331	\$ 1,459,935
Valuation adjustments			
Provision for (recovery of) losses on:			
Doubtful accounts	\$ 100	\$ (3)	\$ 237
Vacation pay	687	974	890
Guarantees, indemnities, and mortgages	85	(34)	(454)
Tangible capital assets	-	-	(58)
	\$ 872	\$ 937	\$ 615

<sup>(a)</sup> The Ministry receives financial and administrative services from the Ministry of Human Resources and Employment.

<sup>(b)</sup> The Ministry provides specialized program supports to children who are the responsibility of Calgary and Area Child and Family Services Authority. Costs incurred for these activities are recovered from the Calgary and Area Child and Family Services Authority.

# MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 3

	2005-06		
	Estimates	Authorized Supple- mentary <sup>(a)</sup>	Authorized Budget
<b>Revenues</b>			
Transfers from the Government of Canada	\$ 276,830	\$ -	\$ 276,830
Premiums, fees and licenses	1,095	-	1,095
Investment income	1,331	-	1,331
Other revenue	3,685	-	3,685
	<u>282,941</u>	<u>-</u>	<u>282,941</u>
<b>Expenses</b>			
Providing services, programs and planning for seniors and the aging population	335,279	4,800	340,079
Providing supports, services, and planning for persons with disabilities	985,006	22,350	1,007,356
Supporting the provision and ongoing management of housing for lower-income Albertans	160,789	63,700	224,489
Providing supports to enhance choice and well-being for clients of the Ministry	121,365	50,000	171,365
Ministry support services	8,363	-	8,363
Grants in kind	19,224	-	19,224
Debt servicing costs	38,983	-	38,983
	<u>1,669,009</u>	<u>140,850</u>	<u>1,809,859</u>
<b>Valuation adjustments</b>			
Provision for (recovery of ) losses on:			
Doubtful accounts	100	-	100
Vacation pay	687	-	687
Guarantees, indemnities, and mortgages	85	-	85
Tangible capital assets	-	-	-
	<u>872</u>	<u>-</u>	<u>872</u>
	<u>1,669,881</u>	<u>140,850</u>	<u>1,810,731</u>
Gain on disposal of tangible capital assets	28,135	-	28,135
Net operating results	<u>\$ (1,358,805)</u>	<u>\$ (140,850)</u>	<u>\$ (1,499,655)</u>
Equipment purchases	<u>\$ (665)</u>	<u>\$ -</u>	<u>\$ (665)</u>

<sup>(a)</sup> Supplementary estimates were approved on December 1, 2005 for \$109,000 and March 16, 2006 for \$31,850.

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Related Party Transactions

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, 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 recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2006	2005 (Note 3)
Expenses - Directly Incurred		
Grants	\$ 1	\$ -
Other services	15,338	15,807
Debt servicing costs	31,342	33,492
	\$ 46,681	\$ 49,299
Deferred financing charges: Alberta Finance	\$ 1,210	\$ 1,415
Accounts receivable from other entities	\$ 887	\$ 452
Accounts payable to Alberta Finance <sup>(a)</sup>	\$ 263,508	\$ 315,041
Accounts payable to Alberta Heritage Savings Trust Fund <sup>(a)</sup>	87,225	95,212
Accounts payable to other entities	1,005	1,389
	\$ 351,738	\$ 411,642

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Related Party Transactions

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4 (continued)

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 recorded in the financial statements and are disclosed in Schedule 5.

	Other Entities	
	2006	2005
Expenses - Incurred by others		(Note 3)
Accommodation	\$ 15,777	\$ 14,791
Legal services	821	642
Other services	788	-
	<u>\$ 17,386</u>	<u>\$ 15,433</u>

(a) Debt and accrued interest on debt.

## MINISTRY OF SENIORS AND COMMUNITY SUPPORTS

### Allocated Costs

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 5

Program	2006										2005
	Expenses <sup>(1)</sup>	Grants in Kind <sup>(1)</sup>	Debt Servicing Costs <sup>(1)</sup>	Accom- modation Costs	Expenses - Incurred by Others				Valuation Adjustments		
Legal Services					Other Services	Losses/ Recoveries	Vacation Pay	Doubtful Accounts	Total Expenses		
Providing services, programs and planning for seniors and the aging population	\$ 340,179	\$ -	\$ -	\$ 833	\$ 60	\$ 97	\$ -	\$ 49	\$ (4)	\$ 341,214	\$ 271,211
Providing supports, services, and planning for persons with disabilities	990,778	-	-	11,866	485	621	-	673	-	1,004,423	883,571
Supporting the provision and ongoing management of housing for lower- income Albertans	233,184	18,914	38,983	2,477	74	-	(34)	85	1	293,684	226,803
Providing supports to enhance choice and well-being for clients of the Ministry	173,361	-	-	371	154	30	-	(34)	-	173,882	89,151
Ministry support services	7,932	-	-	230	48	40	-	201	-	8,451	5,247
	\$ 1,745,434	\$ 18,914	\$ 38,983	\$ 15,777	\$ 821	\$ 788	\$ (34)	\$ 974	\$ (3)	\$ 1,821,654	\$ 1,475,983

<sup>(1)</sup> Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

**DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS**

**Financial Statements**

March 31, 2006

# DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

## Financial Statements

March 31, 2006

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Schedule 5 Salary and Benefits Disclosure

Schedule 6 Related Party Transactions

Schedule 7 Allocated Costs



# DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

## Auditor's Report



To the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Department of Seniors and Community Supports (the Department) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[original signed]

**Fred J. Dunn**, FCA  
Auditor General

Edmonton, Alberta  
May 19, 2006

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 3)	Actual	Actual (Note 3)
Revenues (Schedule 1)			
Transfers from the Government of Canada	\$ 214,188	\$ 204,745	\$ 200,767
Premiums, fees and licences	105	4	-
Other revenue	2,635	4,206	4,193
	216,928	208,955	204,960
Expenses - Directly Incurred (Note 2(b) and Schedule 7)			
Voted (Schedules 2 and 4)			
Ministry support services	8,363	7,932	5,091
Seniors services	335,279	340,179	268,636
Housing services	159,871	233,163	156,976
Strategic planning and supportive living	120,322	171,919	92,627
Income support for persons with disabilities	488,379	489,110	399,090
Community support systems	496,254	505,420	473,817
	1,608,468	1,747,723	1,396,237
Statutory (Schedules 2 and 4)			
Valuation adjustments			
Provision for doubtful accounts	100	(4)	242
Provision for vacation pay	85	484	445
	185	480	687
	1,608,653	1,748,203	1,396,924
Net operating results	\$ (1,391,725)	\$ (1,539,248)	\$ (1,191,964)

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

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Statement of Financial Position

As at March 31, 2006

(thousands of dollars)

	2006	2005
		(Note 3)
<b>Assets</b>		
Cash	\$ 10	\$ 17
Accounts receivable (Note 4)	45,214	28,471
Due from Alberta Social Housing Corporation	1,293	2,097
Tangible capital assets (Note 5)	849	520
	\$ 47,366	\$ 31,105
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 286,070	\$ 102,733
<b>Net assets</b>		
Net assets (liabilities) at beginning of year (Note 3)	(71,628)	(21,691)
Net operating results	(1,539,248)	(1,191,964)
Net transfer from General Revenues	1,372,172	1,142,027
	(238,704)	(71,628)
	\$ 47,366	\$ 31,105

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

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Statement of Cash Flows

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
		(Note 3)
Operating transactions		
Net operating results	\$ (1,539,248)	\$ (1,191,964)
Non-cash items included in net operating results		
Amortization	295	311
Valuation adjustments	480	687
	(1,538,473)	(1,190,966)
(Increase) decrease in accounts receivable before valuation adjustments	(16,739)	4,085
Decrease (increase) in due from Alberta Social Housing Corporation	804	(1,787)
Increase in accounts payable and accrued liabilities before valuation adjustments	182,853	36,493
	(1,371,555)	(1,152,175)
Capital transactions		
Acquisition of tangible capital assets	(624)	(79)
	(624)	(79)
Financing transactions		
Net transfer from General Revenues	1,372,172	1,142,027
Decrease in cash	(7)	(10,227)
Cash, beginning of year	17	10,244
Cash, end of year	\$ 10	\$ 17

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

# DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Department of Seniors and Community Supports operates under the authority of the *Government Organization Act*, Chapter G-10 Revised Statutes of Alberta 2000.

The purpose of the Department is to provide supports, services, programs, information and strategic planning that contribute to the inclusion, well-being and independence of seniors, persons with disabilities, and persons in need of housing supports.

This is done by:

- Providing services, programs, and planning for seniors and the aging population.
- Providing services, programs and planning for persons with disabilities.
- Supporting the provision and on-going management of housing for lower-income Albertans.
- Providing supports to enhance choice and well-being for clients.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

#### (a) Reporting Entity

The reporting entity is the Department of Seniors and Community Supports, which is part of the Ministry of Seniors and Community Supports for which the Minister of Seniors and Community Supports is accountable. Other entities reporting to the Minister are the Alberta Social Housing Corporation and the Persons with Developmental Disabilities Provincial Board and Community Boards. The activities of these organizations are not included in these financial statements. The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

# DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

##### 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.

Grants are recognized when authorized and eligibility criteria are met.

In addition to program operating expenses like 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.

###### *Incurred by Others*

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 7.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

##### (b) Basis of Financial Reporting (continued)

###### Assets

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

Assets acquired by right are not included. Tangible capital assets of the Department are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.

Donated capital assets are recorded at their fair value at the time of contribution.

When tangible capital assets are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these tangible capital assets less any nominal proceeds are recorded as grants in kind.

###### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

###### Net Assets/Net Liabilities

Net assets/net liabilities represent the difference between the carrying value of assets held by the Department and its liabilities.

###### Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Included in Accounts payable and accrued liabilities is an estimate of the eventual settlement resulting from a class action lawsuit in the amount of \$9,345, which is subject to measurement uncertainty. Depending on the actual number and type of claims filed, the actual amount of the settlement could differ significantly from that estimated.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

##### (b) Basis of Financial Reporting (continued)

###### Valuation of Financial Assets and Liabilities

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

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

#### NOTE 3 GOVERNMENT RESTRUCTURING

As a result of government restructuring announced on March 2, 2005 (OC104/2005), the responsibility for the Alberta Aids to Daily Living program was transferred from the Department of Health and Wellness.

Comparatives for 2005 have been restated as if the Department had always been assigned its current responsibilities.

Net assets as previously reported at March 31, 2004	\$ (15,262)
Transfer from Ministry of Health and Wellness	<u>(6,429)</u>
Net assets as restated at April 1, 2004	<u>\$ (21,691)</u>
Net operating results reported March 31, 2005	\$ (1,111,301)
Transfer from Ministry of Health and Wellness	<u>(80,663)</u>
Restated net operating results March 31, 2005	<u>\$ (1,191,964)</u>

The Rural Affordable Supportive Living program was transferred from the Department of Infrastructure and Transportation effective April 1, 2005. There were no comparative expenses under this program for the period ended March 31, 2005.



## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

#### NOTE 4 ACCOUNTS RECEIVABLE

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Government of Canada	\$ 28,953	\$ -	\$ 28,953	\$ 27,035
Management organizations	628	-	628	801
Other receivables	15,709	76	15,633	635
	\$ 45,290	\$ 76	\$ 45,214	\$ 28,471

Accounts receivable are unsecured and non-interest bearing.

#### NOTE 5 TANGIBLE CAPITAL ASSETS

	Estimated Useful Life (years)	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware and software	5	\$ 3,921	\$ 3,129	\$ 792	\$ 476
Equipment	10	76	19	57	44
		\$ 3,997	\$ 3,148	\$ 849	\$ 520

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 6 CONTRACTUAL OBLIGATIONS

As at March 31, 2006 the Department has the following contractual obligations:

	2006	2005
Agreements <sup>(a)</sup>	\$ 258,252	\$ 268,440
Service contracts	11,031	14,201
Long-term leases	113	139
	<u>\$ 269,396</u>	<u>\$ 282,780</u>

<sup>(a)</sup> The Department has long-term agreements with non-profit organizations and providers of rent supplement units.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2006				2005
	Agreements	Service Contracts	Leases	Total	Total
2006	\$ -	\$ -	\$ -	\$ -	\$ 32,194
2007	30,929	6,609	72	37,610	18,506
2008	15,696	4,310	25	20,031	16,640
2009	13,754	112	15	13,881	13,885
2010	13,739	-	1	13,740	13,865
2011	13,239	-	-	13,239	13,239
Thereafter	170,895	-	-	170,895	174,451
	<u>\$ 258,252</u>	<u>\$ 11,031</u>	<u>\$ 113</u>	<u>\$ 269,396</u>	<u>\$ 282,780</u>

#### NOTE 7 CONTINGENCIES

The Department has a contingent liability in respect of five claims (2005 - six claims) aggregating \$2,987 (2005 - \$2,100) relating to decisions made by the Eugenics Board of Alberta pursuant to the Sexual Sterilization Act of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### **NOTE 7 CONTINGENCIES** (continued)

At March 31, 2006 the Department is a defendant in six legal claims (2005 – two legal claims), which have been jointly named with other entities. Four of these claims have specified amounts totalling \$14,430 (2005 – two claims with a specified amount of \$6,180). Two of the claims amounting to \$6,150 (2005 – one claim amounting to \$6,000) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

#### **NOTE 8 TRUST FUNDS UNDER ADMINISTRATION**

The Department administers trust funds 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 Department's financial statements.

At March 31, 2006 the trust funds under administration for the clients of the Gunn Centre totalled \$10 (2005 - \$11). A separate bank account is maintained for these funds.

#### **NOTE 9 DEFINED BENEFIT PLANS**

The Department participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,974 for the year ended March 31, 2006 (2005 – \$2,211).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of \$165,895 (2004 – \$268,101) and the Public Service Pension Plan reported a deficiency of \$187,704 (2004 – \$450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$10,018 (2004– \$9,404).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of \$8,699 (2005 – \$11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$8,309 (2005 – \$3,208). The expense for these two plans is limited to employer's annual contributions for the year.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 10 HOUSING PROPERTIES

The Ministry of Seniors and Community Supports supports the provision of seniors, family and special purpose housing through management organizations. Grants are provided to management organizations that have expenses in excess of revenues, and recoveries are made from management organizations that have revenues in excess of expenses. Management organizations do not record expenses for amortization and interest on long-term debt on buildings. These costs are incurred and recorded by Alberta Social Housing Corporation.

The results of operations of family and special purpose housing is reported in the Department's financial statements, and the results of seniors housing is reported in the Corporation's statements.

Information on revenues and expenses of management organizations is disclosed so as to provide the reader with an understanding of the scope of the housing services being provided.

	2006	2005
Revenues	\$ 31,763	\$ 39,717
Expenses	(55,640)	(50,919)
Net operating results	\$ (23,877)	\$ (11,202)

The above results are recorded on the statement of operations for the year as follows:

	2006	2005
Recoveries from management organizations	\$ 46	\$ 203
Current year reserve accounts at management organizations	-	440
Grants to management organizations	(23,923)	(11,845)
Net results	\$ (23,877)	\$ (11,202)

Commencing April 1, 2006, the results of operations of family and special purpose housing will be reported in the Corporation's financial statements.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### **NOTE 11 COMPARATIVE FIGURES**

Certain 2005 figures have been reclassified to conform to 2006 presentation.

#### **NOTE 12 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Senior Financial Officer and the Deputy Minister of the Department of Seniors and Community Supports.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Revenue

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 1

	2006		2005
	Budget	Actual	Actual (Note 3)
Transfers from the Government of Canada			
Recoveries from Canada Social Transfers	\$ 182,713	\$ 160,469	\$ 156,444
Recoveries from Canada Mortgage and Housing Corporation	22,700	32,886	36,323
Recoveries from Indian and Northern Affairs Canada	8,775	11,390	8,000
	214,188	204,745	200,767
Premiums, fees and licences	105	4	-
Other revenue			
Refunds of expenses	2,635	3,863	3,452
Interest income	-	197	-
Rental revenue	-	100	98
Recoveries from management organizations	-	46	643
	2,635	4,206	4,193
	\$ 216,928	\$ 208,955	\$ 204,960

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Expenses - Directly Incurred Detailed by Object

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 2

	2006		2005
	Budget	Actual	Actual (Note 3)
<b>Voted</b>			
Salaries, wages and employee benefits	\$ 43,119	\$ 42,729	\$ 34,537
Supplies and services	39,457	43,189	33,372
Supplies and services from support service arrangements with related parties <sup>(a)</sup>	1,983	812	-
Grants	1,523,508	1,660,572	1,327,928
Other	85	126	89
Amortization of tangible capital assets	316	295	311
	<b>\$ 1,608,468</b>	<b>\$ 1,747,723</b>	<b>\$ 1,396,237</b>
<b>Statutory</b>			
Valuation adjustments			
Provision for doubtful accounts	\$ 100	\$ (4)	\$ 242
Provision for vacation pay	85	484	445
	<b>\$ 185</b>	<b>\$ 480</b>	<b>\$ 687</b>

<sup>(a)</sup> The Department receives financial and administrative services from the Ministry of Human Resources and Employment.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Budget

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 3

	2005-06		
	Estimates	Authorized Supplementary <sup>(a)</sup>	Authorized Budget
<b>Revenues</b>			
Transfers from the Government of Canada	\$ 214,188	\$ -	\$ 214,188
Premiums, fees and licences	105	-	105
Other revenue	2,635	-	2,635
	216,928	-	216,928
<b>Expenses - Directly Incurred</b>			
<b>Voted</b>			
Ministry support services	8,363	-	8,363
Seniors services	335,279	4,800	340,079
Housing services	159,871	63,700	223,571
Strategic planning and supportive living	120,322	50,000	170,322
Income support for persons with disabilities	488,379	12,350	500,729
Community support systems	496,254	10,000	506,254
	1,608,468	140,850	1,749,318
<b>Statutory Expenses</b>			
<b>Valuation adjustments</b>			
Provision for doubtful accounts	100	-	100
Provision for vacation pay	85	-	85
	185	-	185
	1,608,653	140,850	1,749,503
Gain (loss) on disposal of tangible capital assets	-	-	-
<b>Net operating results</b>	\$ (1,391,725)	\$ (140,850)	\$ (1,532,575)
<b>Equipment purchases</b>	\$ 60	\$ -	\$ 60

(a) Supplementary estimates were approved on December 1, 2005 for \$109,000 and March 16, 2006 for \$31,850



## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investments and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4

		2005-06			Unexpended (Over - Expended)	
		Estimates	Supple- mentary <sup>(a)</sup>	Budget		Actuals <sup>(b)</sup>
Voted OP/Equipment Purchases and Capital Investment						
<b>MINISTRY SUPPORT SERVICES</b>						
1.0.1	Minister's Office	\$ 453	\$ -	\$ 453	\$ 445	\$ 8
1.0.2	Deputy Minister's Office	584	-	584	580	4
1.0.3	Communications					
	Operating expenses	535	-	535	517	18
	Equipment purchases	-	-	-	5	(5)
1.0.4	Strategic Corporate Services					
	Operating expenses	6,791	-	6,791	6,390	401
	Equipment purchases	-	-	-	231	(231)
		<b>8,363</b>	<b>-</b>	<b>8,363</b>	<b>8,168</b>	<b>195</b>
<b>SENIORS SERVICES</b>						
<b>2.1</b>	<b>Management and Operations</b>					
2.1.1	Program Support	586	-	586	563	23
2.1.2	Alberta Seniors Benefit & School Property Tax Program Delivery					
	Operating expenses	9,088	-	9,088	7,667	1,421
	Equipment purchases	60	-	60	349	(289)
2.1.3	Client and Information Services	1,810	-	1,810	1,818	(8)
2.1.4	Special Needs Assistance Program Delivery	1,262	-	1,262	1,166	96
2.1.5	Seniors Dental & Optical Assistance Program Delivery	2,000	-	2,000	888	1,112
	<b>Total Sub-Program</b>	<b>14,806</b>	<b>-</b>	<b>14,806</b>	<b>12,451</b>	<b>2,355</b>
<b>2.2</b>	<b>Income Support for Seniors</b>					
2.2.1	Alberta Seniors Benefit	240,533	4,800	245,333	243,502	1,831
2.2.2	School Property Tax Assistance	7,000	-	7,000	2,506	4,494
2.2.3	Seniors Project Grants	250	-	250	40	210
2.2.4	Special Needs Assistance Grants	22,750	-	22,750	19,914	2,836
2.2.5	Seniors Dental & Optical Assistance Program	50,000	-	50,000	62,115	(12,115)
	<b>Total Sub-Program</b>	<b>320,533</b>	<b>4,800</b>	<b>325,333</b>	<b>328,077</b>	<b>(2,744)</b>
		<b>335,339</b>	<b>4,800</b>	<b>340,139</b>	<b>340,528</b>	<b>(389)</b>

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investments and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4 (continued)

		2005-06			Unexpended (Over - Expended)
		Authorized			
		Supple- mentary <sup>(a)</sup>	Budget	Actuals <sup>(b)</sup>	
		Estimates			
Voted OP/Equipment Purchases and Capital Investment					
<b>HOUSING SERVICES</b>					
<b>3.1</b>	<b>Management and Operations</b>				
3.1.1	Program Support	1,669	-	1,669	1,558
3.1.2	Housing Development Program Delivery	4,438	-	4,438	4,102
3.1.3	Housing Operating Program Delivery	3,705	-	3,705	3,440
	<b>Total Sub-program</b>	<b>9,812</b>	<b>-</b>	<b>9,812</b>	<b>9,100</b>
<b>3.2</b>	<b>Seniors Housing Operating Grants</b>				
3.2.1	Lodge Assistance	21,650	4,700	26,350	26,357
3.2.2	Support to Seniors Housing Providers	2,807	-	2,807	1,110
	<b>Total Sub-program</b>	<b>24,457</b>	<b>4,700</b>	<b>29,157</b>	<b>27,467</b>
<b>3.3</b>	<b>Community Housing Operating Grants</b>				
3.3.1	Support to Community Housing Providers	30,201	-	30,201	37,976
3.3.2	Rent Supplement	15,017	-	15,017	14,150
	<b>Total Sub-program</b>	<b>45,218</b>	<b>-</b>	<b>45,218</b>	<b>52,126</b>
<b>3.4</b>	<b>Housing Development Grants</b>				
3.4.1	Canada / Alberta Affordable Housing Agreement	25,000	19,000	44,000	44,000
3.4.2	Affordable Housing Partnership Initiative	-	25,000	25,000	25,000
	<b>Total Sub-program</b>	<b>25,000</b>	<b>44,000</b>	<b>69,000</b>	<b>69,000</b>

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investments and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4 (continued)

	2005-06			Actuals <sup>(b)</sup>	Unexpended (Over - Expended)
	Estimates	Authorized Supple- mentary <sup>(a)</sup>	Budget		
Voted OP/Equipment Purchases and Capital Investment					
<b>3.5 Other Housing Services Grants</b>					
3.5.1 Special Needs Housing	4,730	-	4,730	4,866	(136)
3.5.2 Homeless Support	23,309	-	23,309	22,005	1,304
3.5.3 Other Grants	410	-	410	460	(50)
3.5.4 Assistance to Alberta Social Housing Corporation	26,170	-	26,170	32,310	(6,140)
3.5.5 Residential Access Modification Program	765	-	765	830	(65)
3.5.6 Lodge Renovations and Repairs	-	15,000	15,000	14,999	1
<b>Total Sub-program</b>	<b>55,384</b>	<b>15,000</b>	<b>70,384</b>	<b>75,470</b>	<b>(5,086)</b>
	<b>159,871</b>	<b>63,700</b>	<b>223,571</b>	<b>233,163</b>	<b>(9,592)</b>

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investments and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4 (continued)

	2005-06				Unexpended (Over - Expended)
	Estimates	Supple- mentary <sup>(a)</sup>	Budget	Actuals <sup>(b)</sup>	
Voted OP/Equipment Purchases and Capital Investment					
<b>STRATEGIC PLANNING AND SUPPORTIVE LIVING</b>					
<b>4.1 Management and Operations</b>					
4.1.1 Program Support	332	-	332	323	9
4.1.2 Supportive Living and Long Term Care Accommodation	2,459	-	2,459	1,002	1,457
4.1.3 Planning and Research	1,055	-	1,055	1,047	8
4.1.4 Public Guardian Services					
Operating expenses	5,776	-	5,776	6,103	(327)
Equipment purchases	-	-	-	6	(6)
4.1.5 Seniors Advisory Council	283	-	283	283	-
4.1.6 Alberta Aids to Daily Living					
Operating expenses	4,274	-	4,274	4,213	61
Equipment purchases	-	-	-	8	(8)
<b>Total Sub-program</b>	<b>14,179</b>	<b>-</b>	<b>14,179</b>	<b>12,985</b>	<b>1,194</b>
<b>4.2 Supportive Living Grants</b>					
4.2.1 Seniors Supportive Housing Incentive Program	500	-	500	-	500
4.2.2 Supportive Living Project Grants	458	-	458	718	(260)
4.2.3 Alberta Aids to Daily Living Grants	79,185	-	79,185	81,181	(1,996)
4.2.4 Rural Affordable Support Living	26,000	50,000	76,000	77,049	(1,049)
<b>Total Sub-program</b>	<b>106,143</b>	<b>50,000</b>	<b>156,143</b>	<b>158,948</b>	<b>(2,805)</b>
	<b>120,322</b>	<b>50,000</b>	<b>170,322</b>	<b>171,933</b>	<b>(1,611)</b>

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investments and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 4 (continued)

	2005-06				Unexpended (Over - Expended)
	Estimates	Authorized		Actuals <sup>(b)</sup>	
		Supple- mentary <sup>(a)</sup>	Budget		
Voted OP/Equipment Purchases and Capital Investment					
<b>INCOME SUPPORT FOR PERSONS WITH DISABILITIES</b>					
<b>5.1 Management and Operations</b>					
5.1.1 Program Support					
Operating expenses	4,257	2,500	6,757	7,658	(901)
Equipment purchases	-	-	-	13	(13)
5.1.2 Income Supports Program Delivery	11,621	-	11,621	11,807	(186)
5.1.3 Health Benefits Program Delivery	2,650	-	2,650	2,912	(262)
<b>Total Sub-program</b>	<b>18,528</b>	<b>2,500</b>	<b>21,028</b>	<b>22,390</b>	<b>(1,362)</b>
<b>5.2 Assured Income for the Severely Handicapped</b>					
5.2.1 Income Support	332,593	9,850	342,443	340,071	2,372
5.2.2 Health Benefits	137,258	-	137,258	126,662	10,596
<b>Total Sub-program</b>	<b>469,851</b>	<b>9,850</b>	<b>479,701</b>	<b>466,733</b>	<b>12,968</b>
	<b>488,379</b>	<b>12,350</b>	<b>500,729</b>	<b>489,123</b>	<b>11,606</b>

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Comparison of Expenses - Directly Incurred, Equipment Purchases and Capital Investments and Statutory Expenses by Element to Authorized Budget

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

	2005-06				
	Estimates	Authorized		Actuals <sup>(b)</sup>	Unexpended (Over - Expended)
		Supple- mentary <sup>(a)</sup>	Budget		
Voted OP/Equipment Purchases and Capital Investment					
<b>COMMUNITY SUPPORT SYSTEMS</b>					
6.0.1 Program Support	287	-	287	295	(8)
6.0.2 Community Support Systems	698	-	698	303	395
6.0.3 Program Development for Persons with Disabilities					
Operating expenses	1,633	-	1,633	1,286	347
Equipment purchases	-	-	-	12	(12)
6.0.4 Premier's Council on the Status of Persons with Disabilities	776	-	776	773	3
6.0.5 Protection for Persons in Care	1,543	-	1,543	1,443	100
6.0.6 Brain Injury Initiative	4,486	-	4,486	4,489	(3)
6.0.7 Financial Assistance to the Persons with Developmental Disabilities Boards	486,831	10,000	496,831	496,831	-
	<b>496,254</b>	<b>10,000</b>	<b>506,254</b>	<b>505,432</b>	<b>822</b>
Total Voted Expenses	\$ 1,608,528	\$ 140,850	\$ 1,749,378	\$ 1,748,347	\$ 1,031
Operating expense	\$ 1,608,468	\$ 140,850	\$ 1,749,318	\$ 1,747,723	\$ 1,595
Equipment purchases	60	-	60	624	(564)
	\$ 1,608,528	\$ 140,850	\$ 1,749,378	\$ 1,748,347	\$ 1,031
Statutory Expenses					
Valuation Adjustments and Other Provisions	\$ 185	\$ -	\$ 185	\$ 480	\$ (295)

<sup>(a)</sup> Supplementary estimates were approved on December 1, 2005 for \$109,000 and March 16, 2006 for \$31,850.

<sup>(b)</sup> Includes achievement bonus of \$797.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Salary and Benefits Disclosure

Year ended March 31, 2006

(in dollars)

#### SCHEDULE 5

	2006				2005
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
Deputy Minister <sup>(4)(6)</sup>	\$ 175,753	\$ 102,328	\$ 30,562	\$ 308,643	\$ 216,213
Executives					
Assistant Deputy Minister, Strategic Corporate Services <sup>(6)</sup>	102,923	14,254	22,645	139,822	189,547
Assistant Deputy Minister, Seniors Services	125,693	32,511	29,397	187,601	183,223
Assistant Deputy Minister, Housing	126,151	29,254	28,018	183,423	176,411
Assistant Deputy Minister, Strategic Planning and Supportive Living <sup>(5)(6)</sup>	124,397	24,781	27,403	176,581	75,078
Assistant Deputy Minister, Income Support for Persons with Disabilities <sup>(6)</sup>	135,744	26,133	30,597	192,474	177,620
Assistant Deputy Minister, Community Support Systems	149,655	20,584	33,787	204,026	185,295

Prepared in accordance with Treasury Board Directive 03/2004.

- (1) Base salary includes regular base pay.
- (2) Other cash benefits include bonuses and vacation payouts.
- (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, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.
- (5) Position was created on November 25, 2004.
- (6) The duties of the position were provided by two or more individuals.

## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

### Related Party Transactions

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 6

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Department and its employees paid or collected certain taxes and fees set by regulation for permits, 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 recorded on the Statement of Operations and Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Directly Incurred				
Grants	\$ 529,141	\$ 488,716	\$ 1	\$ -
Other services	-	-	4,711	5,031
	<u>\$ 529,141</u>	<u>\$ 488,716</u>	<u>\$ 4,712</u>	<u>\$ 5,031</u>
Accounts receivable	\$ 1,293	\$ 2,097	\$ -	\$ -
Accounts payable	\$ -	\$ -	\$ 37	\$ 129

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 recorded in the financial statements and are disclosed in Schedule 7.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Recoveries				
Services provided	\$ 1,300	\$ 940	\$ -	\$ -
Expenses - Incurred by others				
Accommodation	\$ -	\$ -	\$ 4,762	\$ 4,648
Legal services	-	-	635	516
Other services	-	-	281	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,678</u>	<u>\$ 5,164</u>



## DEPARTMENT OF SENIORS AND COMMUNITY SUPPORTS

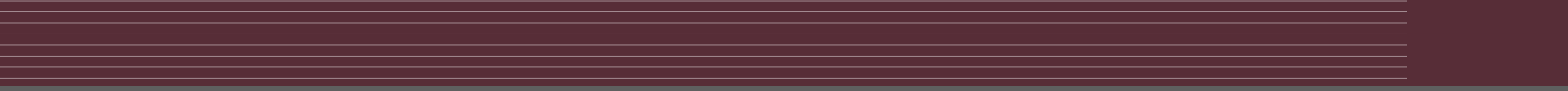
### Allocated Costs

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 7

Program	2006										2005
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others					Valuation Adjustments			Total Expenses	Total Expenses (Note 3)
		Services Provided	Accommodation Costs	Legal Services	Other Services	Vacation Pay	Doubtful Accounts	Total Expenses			
Ministry support services	\$ 7,932	\$ -	\$ 230	\$ 48	\$ 40	\$ 201	\$ -	\$ 8,451	\$ 5,463	\$ 5,463	
Seniors services	340,179	-	833	60	97	49	(4)	341,214	271,196	271,196	
Housing services	233,163	(1,300)	2,176	69	-	85	-	234,193	159,140	159,140	
Strategic planning and supportive living	171,919	-	371	154	30	(34)	-	172,440	93,127	93,127	
Income support for persons with disabilities	489,110	-	1,065	225	91	161	-	490,652	400,149	400,149	
Community support systems	505,420	-	87	79	23	22	-	505,631	473,953	473,953	
	<b>\$ 1,747,723</b>	<b>\$ (1,300)</b>	<b>\$ 4,762</b>	<b>\$ 635</b>	<b>\$ 281</b>	<b>\$ 484</b>	<b>\$ (4)</b>	<b>\$ 1,752,581</b>	<b>\$ 1,403,028</b>	<b>\$ 1,403,028</b>	

<sup>(1)</sup> Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.



**ALBERTA SOCIAL HOUSING CORPORATION**

**Financial Statements**

March 31, 2006

# ALBERTA SOCIAL HOUSING CORPORATION

## Financial Statements

March 31, 2006

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Revenues

Schedule 2 Expenses - Directly Incurred Detailed by Object

Schedule 3 Budget

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

**ALBERTA SOCIAL HOUSING CORPORATION**  
**Auditor's Report**



To the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Alberta Social Housing Corporation (the Corporation) as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[original signed]

**Fred J. Dunn, FCA**  
Auditor General

Edmonton, Alberta  
May 19, 2006

# ALBERTA SOCIAL HOUSING CORPORATION

## Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 3)	Actual	Actual
Revenues (Schedule 1)			
Seniors programs	\$ 27,582	\$ 26,279	\$ 46,731
Special purpose programs	36,357	36,162	33,919
Other asset administration	3	158	117
Transfers from Department of Seniors and Community Supports	26,170	32,310	23,110
	90,112	94,909	103,877
Expenses - Directly Incurred (Note 2(b), Schedules 2 and 5)			
Seniors programs	16,049	22,766	16,570
Special purpose programs	10,174	9,352	9,428
Other asset administration	365	212	381
Grants in kind	19,224	18,914	19,190
Debt servicing costs	38,983	38,983	41,212
	84,795	90,227	86,781
Valuation adjustments			
Provision for (recovery of) losses on:			
Tangible capital assets	-	-	(58)
Guarantees, indemnities and mortgages	85	(34)	(454)
Doubtful accounts	-	1	(5)
	85	(33)	(517)
	84,880	90,194	86,264
Gain on disposal of tangible capital assets	28,135	25,469	31,752
Net operating results	\$ 33,367	\$ 30,184	\$ 49,365

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

# ALBERTA SOCIAL HOUSING CORPORATION

## Statement of Financial Position

As at March 31, 2006  
(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash (Note 3)	\$ 79,966	\$ 61,536
Accounts receivable (Note 4)	21,117	24,484
Loans and advances (Note 5)	20,166	30,221
Deferred financing charges	1,210	1,415
Tangible capital assets (Note 6)	720,764	753,811
	<b>\$ 843,223</b>	<b>\$ 871,467</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 8,869	\$ 5,773
Accrued interest payable	8,803	9,445
Due to Department of Seniors and Community Supports	1,293	2,097
Allowance for losses on guarantees and indemnities (Note 7)	93	126
Advance from Alberta Finance	-	33,875
Long-term debt (Note 8)	422,307	448,477
	<b>441,365</b>	<b>499,793</b>
<b>Equity</b>		
At beginning of year	371,674	322,309
Net operating results	30,184	49,365
	<b>401,858</b>	<b>371,674</b>
	<b>\$ 843,223</b>	<b>\$ 871,467</b>

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

# ALBERTA SOCIAL HOUSING CORPORATION

## Statement of Cash Flows

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ 30,184	\$ 49,365
Non-cash items included in net operating results		
Amortization of tangible capital assets	23,302	23,419
Amortization of deferred financing charges	205	214
Grants in kind	18,914	19,190
Valuation adjustments	(33)	(517)
Gain on disposal of tangible capital assets	(25,469)	(31,752)
	47,103	59,919
Decrease (increase) in accounts receivable before valuation adjustments	3,366	(22,536)
Decrease in accrued interest payable	(642)	(618)
Increase in accounts payable and accrued liabilities	3,096	4,864
(Decrease) increase in due to Department of Seniors and Community Supports	(804)	1,787
	52,119	43,416
Cash provided by operating transactions	52,119	43,416
Capital transactions		
Acquisition of tangible capital assets	(423)	-
Disposal of tangible capital assets	16,962	21,217
Contributions in kind	(239)	-
	16,300	21,217
Cash provided by capital transactions	16,300	21,217
Investing transactions		
Repayment of loans and advances	10,112	3,711
Additions to loans and advances	(56)	(12,356)
	10,056	(8,645)
Cash provided (used) by investing transactions	10,056	(8,645)
Financing transactions		
Repayment of advance from Alberta Finance	(33,875)	(1,025)
Repayment of long term debt	(26,170)	(23,974)
	(60,045)	(24,999)
Cash used by financing transactions	(60,045)	(24,999)
Net increase in cash	18,430	30,989
Cash, beginning of year	61,536	30,547
Cash, end of year	\$ 79,966	\$ 61,536

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



# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Alberta Social Housing Corporation operates under the authority of the *Alberta Housing Act*, Chapter A-25, Revised Statutes of Alberta 2000.

The Corporation's primary purpose is to facilitate the provision of affordable housing options, through housing providers, to low-income families and individuals, seniors, and those with special needs. The Corporation owns and administers the Crown's portfolio of housing assets and manages provincial debts and agreements associated with those assets. This includes administering the sale of provincially owned properties no longer efficient or effective for social housing programs.

The Corporation also oversees the provincial commitments and entitlements remaining from discontinued business activities such as mortgages and loan guarantees, and directly operates and acts as the landlord for a small portion of units classified as "rural housing".

The Corporation is a crown agent of the Government of Alberta and as such has a tax exempt status.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

#### (a) Reporting Entity

The reporting entity is the Alberta Social Housing Corporation, which is part of the Ministry of Seniors and Community Supports and for which the Minister of Seniors and Community Supports is accountable. The Ministry annual report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are recorded on the accrual basis of accounting with the exception of interest on Rural and Native mortgages that are classified as non-accrual. Rural and Native mortgages are classified as non-accrual when payments are sixty days in arrears. Interest on non-accrual loans is recorded on a cash basis.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### *Internal Government transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

##### **Expenses**

##### *Directly Incurred*

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

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

- amortization of tangible capital assets.
- debt servicing costs.
- 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 guarantees and indemnities.

##### *Incurred by Others*

Services contributed by other entities in support of the Corporation's operations are disclosed in Schedule 5.

##### **Assets**

##### *Cash and accounts receivable*

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

##### *Loans and advances*

Loan and advances include mortgages that are reported at cost less provisions for losses, and agreements receivable. Cost of mortgages includes amounts advanced, accrued interest, and other charges, less repayments and subsidies.

##### *Deferred financing charges*

Deferred financing charges on debt financing are amortized over the life of the debt on a straight-line basis.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### *Tangible capital assets*

Assets acquired by right are not included. Tangible capital assets of the Corporation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing tangible capital assets is \$5. All land and work-in-progress are capitalized at cost and not amortized.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When tangible capital assets are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these tangible capital assets less any nominal proceeds are recorded as grants in kind.

##### **Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

##### **Equity**

Equity represents the difference between the carrying value of assets held by the Corporation and its liabilities.

##### **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, accounts receivable, accounts payable and accrued liabilities, accrued interest payable and due to the Department of Seniors and Community Supports are estimated to approximate their carrying values because of the short term nature of these instruments. Fair values of loans and advances are not reported due to there being no organized financial market for the instruments and it is not practicable within constraints of timelines or cost to estimate the fair value with sufficient reliability.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 3 CASH

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. Interest is earned on the Corporation's daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates. Due to the short-term nature of these deposits the carrying value approximates fair value.

### NOTE 4 ACCOUNTS RECEIVABLE

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Receivable from management bodies	\$ 19,946	\$ -	\$ 19,946	\$ 23,752
Accounts receivable	1,247	76	1,171	732
	<u>\$ 21,193</u>	<u>\$ 76</u>	<u>\$ 21,117</u>	<u>\$ 24,484</u>

Accounts receivable are unsecured and non-interest bearing.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 5 LOANS AND ADVANCES

	2006				2005
	Accrual	Non-Accrual	Allowance for Losses	Net Realizable Value	Net Realizable Value
Rural and Native <sup>(a)</sup>	\$ 9,288	\$ 657	\$ 6	\$ 9,939	\$ 12,827
Agreements receivable <sup>(b)</sup>	10,077	-	-	10,077	17,306
Other receivables	150	-	-	150	88
	<u>\$ 19,515</u>	<u>\$ 657</u>	<u>\$ 6</u>	<u>\$ 20,166</u>	<u>\$ 30,221</u>

(a) These mortgages are provided under the Rural and Native Housing program with payments based on an amortization period of 25 years and five-year interest renewal terms.

(b) Agreements receivable represent amounts receivable for land sales.

### NOTE 6 TANGIBLE CAPITAL ASSETS

	2006				2005
	Estimated Useful Life (years)	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Seniors Housing					
Self contained units	50	\$ 673,349	\$ 280,867	\$ 392,482	\$ 404,795
Lodges	50	158,640	51,739	106,901	112,878
Special Purpose Housing					
Community housing	40 to 50	355,484	157,351	198,133	207,491
Rural and native units	20 to 25	16,335	8,750	7,585	8,666
Special needs housing	50	15,416	5,376	10,040	8,203
Rural mobile homes	10	443	337	106	68
		<u>1,219,667</u>	<u>504,420</u>	<u>715,247</u>	<u>742,101</u>
Land		5,405	-	5,405	11,605
Buildings		112	-	112	105
Total		<u>\$ 1,225,184</u>	<u>\$ 504,420</u>	<u>\$ 720,764</u>	<u>\$ 753,811</u>

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 7 GUARANTEES AND INDEMNITIES

The Corporation has outstanding guarantees that were issued on the sale of certain of its mortgages whereby the Corporation will reimburse mortgagees for any losses that may occur on default by mortgagees. Any claims for losses by the mortgagees will be reduced by the amounts realized from the sale of the underlying properties.

Guaranteed amounts, the last of which was guaranteed on March 30, 1994, are as follows:

	2006	2005
Mortgages, on single family properties, guaranteed to 2015	\$ -	\$ 34
Mortgages, on multi-unit rental properties and land, guaranteed to:		
2007	543	559
2009	125	182
2011	26,779	29,531
	27,447	30,272
	\$ 27,447	\$ 30,306

Under the former mobile home loan insurance program, the Corporation has agreed to indemnify losses on mobile home loans issued by financial institutions. The outstanding loans as at March 31, 2006 amount to \$1,203 (2005 - \$1,906). This program was terminated effective October 1, 1993. However, the Corporation has an ongoing commitment on the insurance policies remaining in force.

An allowance for losses has been made on these guarantees and indemnities in the amount of \$93 (2005 - \$126).

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 8 LONG-TERM DEBT

The Corporation's long-term debt and exposure to interest rate risk is summarized as follows:

	2006	2005
Debentures payable:		
Canada Mortgage and Housing Corporation <sup>(a)</sup>	\$ 78,512	\$ 79,654
Alberta Heritage Savings Trust Fund <sup>(b)</sup>	80,927	88,340
Note payable to Alberta Finance <sup>(c)</sup>	262,868	280,483
	<u>\$ 422,307</u>	<u>\$ 448,477</u>

<sup>(a)</sup> maturing January 2023 to January 2030 with a weighted average effective rate of 9.63%.

<sup>(b)</sup> maturing June 2011 to January 2012 with a weighted average effective rate of 17.41%.

<sup>(c)</sup> maturing September 16, 2016 with an effective rate of 5.93%.

The Province of Alberta guarantees the repayment of principal and interest on all borrowings.

The debentures, including interest thereon, are repayable in equal annual or semi-annual installments and the note payable is repayable in equal semi-annual installments.

Approximate aggregate repayments of principal in each of the next five years are:

2007	\$ 28,626
2008	31,381
2009	34,478
2010	37,970
2011	41,915
Thereafter	<u>247,937</u>
	<u>\$ 422,307</u>

Long-term debt has a fair value of \$119,794 for Canada Mortgage and Housing Corporation debentures, \$113,925 for Alberta Heritage Savings and Trust Fund debentures and \$283,657 for Note payable to Alberta Finance. Fair values for debt are based on the Province of Alberta's current borrowing rates, which are available to the Corporation for debt with similar terms and maturities.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 9 PROGRAM RECOVERIES

Cost-sharing agreements provide for a contribution by Canada Mortgage and Housing Corporation (CMHC) towards subsidies of rental properties and mortgages receivable, and for certain capital costs, administration expenses and net operating results, of approved seniors housing program projects that are recorded by the Corporation. Contributions are also provided by CMHC for certain administration and net operating results of approved community housing projects project costs that are recorded by the Department of Seniors and Community Supports.

### NOTE 10 SALARY AND BENEFITS

The Corporation has no salary or benefits to disclose under Treasury Board Directive 03/2004 because:

- (a) The Corporation has no employees. Staff of the Department of Seniors and Community Supports administer the Corporation. Disclosure of information on their salaries and benefits is included in the financial statements of the Department of Seniors and Community Supports.
- (b) The Corporation did not pay honoraria to its Board members.

### NOTE 11 CONTRACTUAL OBLIGATIONS

The Corporation leases land under various leases for the purpose of providing social housing. The aggregate amounts payable for the unexpired terms of these leases are:

	2006	2005
2006	\$ -	\$ 1,347
2007	1,347	1,347
2008	1,347	1,347
2009	1,347	1,347
2010	1,347	1,347
2011	1,347	1,347
Thereafter	37,294	37,294
	<u>\$ 44,029</u>	<u>\$ 45,376</u>



# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 12 CONTINGENCIES

At March 31, 2006 the Corporation is a defendant in six legal claims (2005 - ten legal claims). Five of these claims have specified amounts totaling \$1,250 (2005 - ten claims with a specified amount of \$2,685). Included in the total legal claims are two legal claims amounting to \$475 (2005 - seven legal claims amounting to \$1,910) in which the Corporation has been jointly named with other entities. Two claims amounting to \$520 (2005 - five claims amounting to \$1,825) are covered by the Alberta Risk Management fund.

The resulting loss, if any, from these claims cannot be determined.

### NOTE 13 HOUSING PROPERTIES

The Ministry of Seniors and Community Supports supports the provision of seniors, family and special-purpose housing through management organizations. Grants are provided to management organizations that have expenses in excess of revenues, and recoveries are made from management organizations that have revenues in excess of expenses. Management organizations do not record expenses for amortization and interest on long-term debt on buildings. These costs are incurred and recorded by the Corporation.

The results of operations of family and special purpose housing is reported in the Department's financial statements, and the results of operations of seniors housing is reported in the Corporation's financial statements.

Information on revenues and expenses of management organizations is disclosed so as to provide the reader with an understanding of the scope of the housing services being provided.

# ALBERTA SOCIAL HOUSING CORPORATION

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 13 HOUSING PROPERTIES (continued)

	2006	2005
Revenues	\$ 67,719	\$ 72,930
Expenses	67,232	61,899
Net operating results	\$ 487	\$ 11,031

The above results are recorded on the statement of operations for the year as follows:

	2006	2005
Recoveries from management organizations	\$ 487	\$ 792
Current year reserve accounts at management organizations	-	10,239
Net results	487	11,031
Prior year's reserve accounts at management organizations recorded in the current year	-	10,510
	\$ 487	\$ 21,541

Commencing on April 1, 2006, the results of operations of family and special purpose housing will be reported on the Corporation's financial statements.

### NOTE 14 COMPARATIVE FIGURES

Certain 2005 figures have been reclassified to conform to 2006 presentation.

### NOTE 15 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Senior Financial Officer of the Department of Seniors and Community Supports and the President of Alberta Social Housing Corporation.

# ALBERTA SOCIAL HOUSING CORPORATION

## Revenues

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 1

	2006		2005
	Budget	Actual	Actual
Internal Government Transfers			
Transfers from Department of Seniors and Community Supports	\$ 26,170	\$ 32,310	\$ 23,110
Transfers from the Government of Canada			
Recoveries from Canada Mortgage and Housing Corporation (Note 9)	62,642	58,935	57,294
Investment income			
Bank and other	800	2,138	1,004
Mortgages	350	152	288
	1,150	2,290	1,292
Other revenue			
Miscellaneous	150	118	111
Recoveries from management organizations	-	487	21,541
Contributions in kind	-	239	-
Rental properties	-	201	529
Refunds of expenses	-	329	-
	150	1,374	22,181
	\$ 90,112	\$ 94,909	\$ 103,877

# ALBERTA SOCIAL HOUSING CORPORATION

## Expenses - Directly Incurred Detailed by Object

Year ended March 31, 2006

(thousands of dollars)

### SCHEDULE 2

	2006		2005
	Budget	Actual	Actual
Expenses			
Debt servicing costs	\$ 38,983	\$ 38,983	\$ 41,212
Amortization of tangible capital assets	23,818	23,302	23,419
Grants	19,974	26,090	19,823
Supplies and services	2,020	1,852	2,327
	<u>\$ 84,795</u>	<u>\$ 90,227</u>	<u>\$ 86,781</u>
Valuation adjustments			
Provision for (recovery of) losses on:			
Tangible capital assets	\$ -	\$ -	\$ (58)
Guarantees, indemnities and mortgages	85	(34)	(454)
Doubtful accounts	-	1	(5)
	<u>\$ 85</u>	<u>\$ (33)</u>	<u>\$ (517)</u>

# ALBERTA SOCIAL HOUSING CORPORATION

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 3

	2005-06		
	Estimates	Treasury Board Approvals	Authorized Budget
<b>Revenues</b>			
Internal Government transfer	\$ 26,170	\$ -	\$ 26,170
Transfers from the Government of Canada	62,642	-	62,642
Investment income	1,150	-	1,150
Other revenue	150	-	150
	<u>90,112</u>	<u>-</u>	<u>90,112</u>
<b>Expenses</b>			
Seniors programs	16,049	-	16,049
Special purpose programs	10,174	-	10,174
Other asset administration	365	-	365
Grants in kind	19,224	-	19,224
Debt servicing costs	38,983	-	38,983
	<u>84,795</u>	<u>-</u>	<u>84,795</u>
<b>Valuation adjustments</b>			
Provision for (recovery of ) losses on:			
Tangible capital assets	-	-	-
Guarantees, indemnities, and mortgages	85	-	85
Doubtful accounts	-	-	-
	<u>85</u>	<u>-</u>	<u>85</u>
<b>Total expenses</b>	<u>84,880</u>	<u>-</u>	<u>84,880</u>
Gain on disposal of tangible capital assets	28,135	-	28,135
<b>Net operating results</b>	<u>\$ 33,367</u>	<u>\$ -</u>	<u>\$ 33,367</u>
<b>Capital assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# ALBERTA SOCIAL HOUSING CORPORATION

## Related Party Transactions

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 4

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Corporation.

The Corporation paid or collected certain taxes and fees set by regulation for permits, 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 Corporation had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Transfers from the Department of Seniors and Community Supports	\$ 32,310	\$ 23,110	\$ -	\$ -
Expenses - directly incurred				
Other services	\$ -	\$ -	\$ 682	\$ 553
Debt servicing costs	-	-	31,342	33,492
	\$ -	\$ -	\$ 32,024	\$ 34,045
Deferred financing charges				
Alberta Finance	\$ -	\$ -	\$ 1,210	\$ 1,415
Accounts payable to				
Alberta Finance <sup>(1)</sup>	\$ -	\$ -	\$ 263,508	\$ 315,041
Alberta Heritage Savings Trust Fund <sup>(1)</sup>	\$ -	\$ -	\$ 87,225	\$ 95,212
Department of Seniors and Community Supports	\$ 1,293	\$ 2,097	\$ -	\$ -
Account receivable from Risk Management and Insurance	\$ -	\$ -	\$ 885	\$ 438

# ALBERTA SOCIAL HOUSING CORPORATION

## Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

### SCHEDULE 4 (continued)

The Corporation 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 recorded in the financial statements and are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - incurred by others				
Salaries and wages	\$ 1,023	\$ 696	\$ -	\$ -
Supplies and services	277	237	-	-
Accommodation	-	-	301	62
Legal services	-	-	5	4
Other services	-	7	-	-
	\$ 1,300	\$ 940	\$ 306	\$ 66

(1) Debt and accrued interest on debt.

# ALBERTA SOCIAL HOUSING CORPORATION

## Allocated Costs

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 5

Program	2006										2005	
	Expenses - Directly Incurred			Expenses - Incurred by Others			Valuation Adjustments				Total Expenses	
Program Expenses <sup>(1)</sup>	Debt Servicing Costs <sup>(1)</sup>	Grants in Kind <sup>(1)</sup>	Other Services	Accommodation Costs	Legal Services	Losses/ (Recoveries)	Doubtful Accounts				Total Expenses	
Seniors programs	\$ 22,766	\$ 24,253	\$ 1,953	\$ 706	\$ 163	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 49,844	\$ 52,212
Special purpose programs	9,352	14,730	9,209	480	111	2	(34)	1			33,851	33,643
Other asset administration	212	-	7,752	114	27	-	-	-			8,105	1,415
	\$ 32,330	\$ 38,983	\$ 18,914	\$ 1,300	\$ 301	\$ 5	\$ (34)	\$ 1	\$ -	\$ -	\$ 91,800	\$ 87,270

<sup>(1)</sup> Expenses - Directly Incurred as per Statement of Operations excluding valuation adjustments.



**PERSONS WITH DEVELOPMENTAL DISABILITIES  
PROVINCIAL BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Financial Statements

March 31, 2006

Auditor's Report

Statement of Operations

Statement of Financial Position

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Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Auditor's Report



To the Members of the Board of Directors of the Persons with Developmental Disabilities Provincial Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[original signed]

**Fred J. Dunn**, FCA  
Auditor General

Edmonton, Alberta

May 19, 2006

## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 2)	Actual	Actual
Revenue			
Transfer from Department of Seniors and Community Supports	\$ 486,831	\$ 496,831	\$ 465,606
Previous year's refund of expenditures	500	40	520
Interest income	181	148	164
	487,512	497,019	466,290
Expenses - Directly Incurred (Note 2(b), Schedules 1 and 5)			
Programs			
Board governance	180	260	229
Supports to delivery systems	15,002	7,238	7,832
Financial assistance to Community Boards:			
Northwest Region Community Board	18,079	18,603	17,293
Northeast Region Community Board	24,069	25,593	22,983
Edmonton Region Community Board	138,622	141,241	133,443
Central Region Community Board	120,387	123,975	117,818
Calgary Region Community Board	118,654	126,856	114,228
South Region Community Board	52,522	53,291	50,947
	487,515	497,057	464,773
Valuation adjustments (Schedule 1)	10	(16)	50
	487,525	497,041	464,823
Net operating results	\$ (13)	\$ (22)	\$ 1,467

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

# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Statement of Financial Position

As at March 31, 2006

(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 5,955	\$ 6,508
Accounts receivable (Note 3)	42	37
Tangible capital assets (Note 6)	69	45
Long term investments (Note 7)	3,479	3,335
	<b>\$ 9,545</b>	<b>\$ 9,925</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 1,232	\$ 1,590
<b>Net Assets</b>		
Net assets at beginning of year	8,335	6,868
Net operating results	(22)	1,467
	<b>8,313</b>	<b>8,335</b>
	<b>\$ 9,545</b>	<b>\$ 9,925</b>

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

## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Statement of Cash Flows

Year ended March 31, 2006  
(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ (22)	\$ 1,467
Non-cash items included in net operating results		
Amortization	7	54
Valuation adjustments	(16)	50
	(31)	1,571
(Increase) decrease in accounts receivable	(5)	3
(Decrease) increase in accounts payable and accrued liabilities before valuation adjustments	(343)	301
Cash (applied to) provided by operating transactions	(379)	1,875
Capital transactions		
Acquisition of tangible capital assets	(30)	(29)
Investing transactions		
Investment in bond fund	(144)	(167)
(Decrease) increase in cash	(553)	1,679
Cash, beginning of year	6,508	4,829
Cash, end of year	\$ 5,955	\$ 6,508

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

# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Provincial Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports. Through advocacy and service, the Board helps adults with developmental disabilities to live as independently as possible within the community.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred*

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- amortization of tangible capital assets;
- 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;
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Program Expenses Reported on the Statement of Operations*

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

Board governance - expenses incurred in support of Board related activities.

##### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.

##### Assets

Financial assets of the Board include cash and financial claims, such as receivables from other organizations and investments in a bond fund.

Tangible capital assets of the Board are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.



# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

##### Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

Long term investments are recorded at cost. Where there has been a loss in the value of an investment that is other than a temporary decline, the investment is written down to recognize the loss.

### NOTE 3 ACCOUNTS RECEIVABLE

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Investment income	\$ 39	\$ -	\$ 39	\$ 36
Other	3	-	3	1
	\$ 42	\$ -	\$ 42	\$ 37

Accounts receivable are unsecured and non-interest bearing.

## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

#### NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2006	2005
Employees accrued vacation pay and manpower costs	\$ 526	\$ 538
Accrued supplies and services	697	997
Accounts payable	-	55
Accrued capital purchases	9	-
	\$ 1,232	\$ 1,590

#### NOTE 5 VOLUNTARY CONTRIBUTIONS

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulties in determining their fair market value.

#### NOTE 6 TANGIBLE CAPITAL ASSETS

		2006			2005
	Estimated Useful Life (years)	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements	10	\$ 21	\$ -	\$ 21	\$ -
Equipment	10	35	15	20	23
Computer hardware and software	7	465	437	28	22
		\$ 521	\$ 452	\$ 69	\$ 45

# PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 7 LONG TERM INVESTMENTS

The market value at March 31, 2006 is \$3,641 (2005 – \$3,461).

Pursuant to a recent legal opinion, the investment in the Bond Fund has been determined to be unrestricted.

### NOTE 8 CONTRACTUAL OBLIGATIONS

As at March 31, 2006, the Board has the following contractual obligations:

	2006	2005
Service contracts <sup>(a)</sup>	\$ 347	\$ 200
Long term leases <sup>(b)</sup>	10	15
	\$ 357	\$ 215

<sup>(a)</sup> Actual amounts are dependent on the usage of service.

<sup>(b)</sup> The Board leases certain equipment under operating leases that expire on various dates.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2006			2005
	Service Contracts	Long Term Leases	Total	Total
2006	\$ -	\$ -	\$ -	\$ 205
2007	347	5	352	5
2008	-	5	5	5
	\$ 347	\$ 10	\$ 357	\$ 215

## **PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD**

### **Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

#### **NOTE 9 SUBSEQUENT EVENTS**

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

#### **NOTE 10 COMPARATIVE FIGURES**

Certain 2005 figures have been reclassified to conform to 2006 presentation.

#### **NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
PROVINCIAL BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 10,275	\$ 2,957	\$ 2,734
Supplies and services	4,723	4,367	5,086
Grants	472,514	489,726	456,899
Amortization of tangible capital assets	3	7	54
	487,515	497,057	464,773
Valuation adjustments	10	(16)	50
	<b>\$ 487,525</b>	<b>\$ 497,041</b>	<b>\$ 464,823</b>

## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Budget

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 2

	2005-2006 Budget	Provincial Board Reallocation <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
<b>Revenue</b>				
Transfer from Department of Seniors and Community Supports	\$ 486,831	\$ -	\$ 10,000	\$ 496,831
Interest	181	-	-	181
Previous year's refund of expenditures	500	-	-	500
	<u>487,512</u>	<u>-</u>	<u>10,000</u>	<u>497,512</u>
<b>Expenses - Directly Incurred</b>				
Board governance	180	125	-	305
Support to delivery systems	15,002	(7,351)	-	7,651
Financial assistance to Community Boards:				
Northwest Region Community Board	18,079	65	459	18,603
Northeast Region Community Board	24,069	929	595	25,593
Edmonton Region Community Board	138,622	(728)	3,347	141,241
Central Region Community Board	120,387	1,863	1,725	123,975
Calgary Region Community Board	118,654	5,535	2,667	126,856
South Region Community Board	52,522	(438)	1,207	53,291
	<u>487,515</u>	<u>-</u>	<u>10,000</u>	<u>497,515</u>
Valuation adjustments	10	-	-	10
Net operating results	<u>\$ (13)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13)</u>

(a) Budget adjustments were approved by the Provincial Board on July 14, 2005.

(b) Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 26	\$ -	\$ 26	\$ 31
Board Members <sup>(e)</sup>	-	78	-	78	95
Chief Executive Officer <sup>(f)</sup>	143	18	31	192	151
Executive Director, Finance and Information Technology Services <sup>(g)</sup>	110	13	25	148	134
Executive Director, Strategic and Organizational Development <sup>(g)</sup>	104	13	23	140	123
Director, Human Resources <sup>(g) (h)</sup>	82	3	19	104	113
Manager, Business Planning <sup>(g)</sup>	86	10	22	118	107

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

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

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 14 board member positions (1 vice chair, 7 members-at-large and 6 Community Board chairs) that were occupied for varying lengths of time during the year. These amounts represent honoraria payments made to the vice chair, 7 members-at-large and appeal panel honoraria payments for all board members.

(f) These payments are made to the Chief Executive Officer under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports.

(g) Executives are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

(h) The position was occupied by two individuals during the year.

## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Department of Seniors and Community Supports	\$ 496,831	\$ 465,606	\$ -	\$ -
Expenses - Directly Incurred				
Financial assistance to Community Boards:				
Northwest Region Community Board	\$ 18,603	\$ 17,293	\$ -	\$ -
Northeast Region Community Board	25,593	22,983	-	-
Edmonton Region Community Board	141,241	133,443	-	-
Central Region Community Board	123,975	117,818	-	-
Calgary Region Community Board	126,856	114,228	-	-
South Regional Community Board	53,291	50,947	-	-
Other services	-	-	1,867	2,203
	\$ 489,559	\$ 456,712	\$ 1,867	\$ 2,203



## PERSONS WITH DEVELOPMENTAL DISABILITIES PROVINCIAL BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

As at March 31, 2006, accounts payable of the Board include a total of \$500 (2005 - \$741) owing to related parties for Other Services.

As at March 31, 2006, accounts receivable of the Board include amounts owing of \$2 (2005 - \$0) from the Northwest Region Community Board.

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 143	\$ 153
Department of Justice and Attorney General	-	-	56	38
Executive Council	-	-	10	-
	\$ -	\$ -	\$ 209	\$ 191

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
PROVINCIAL BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

Program	2006					2005
	Expenses <sup>(a)</sup>	Expenses - Incurred by Others			Valuation Adjustments	Total Expenses
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(c)</sup>		
Board governance	\$ 260	\$ -	\$ -	\$ -	\$ -	\$ 260
Support to delivery systems	7,238	143	56	10	(16)	7,431
Financial assistance to community boards						
Northwest Region Community Board	18,603	-	-	-	-	18,603
Northeast Region Community Board	25,593	-	-	-	-	25,593
Edmonton Region Community Board	141,241	-	-	-	-	141,241
Central Region Community Board	123,975	-	-	-	-	123,975
Calgary Region Community Board	126,856	-	-	-	-	126,856
South Region Community Board	53,291	-	-	-	-	53,291
	\$ 497,057	\$ 143	\$ 56	\$ 10	\$ (16)	\$ 497,250
						\$ 465,014

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

(c) Costs shown for Legal Services and Other Services per Schedule 4.

(d) Provision for Vacation Pay has been allocated based on the actual provision relating to each program by employee.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Financial Statements

March 31, 2006

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

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Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Auditor's Report



To the Members of the Board of Directors of the Persons with Developmental Disabilities Calgary Region Community Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 9, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn, FCA**  
Auditor General

Edmonton, Alberta  
May 9, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 118,654	\$ 126,856	\$ 114,228
Previous year's refund of expenditures	-	25	282
	118,654	126,881	114,510
<b>Expenses - Directly Incurred (Note 2(b), Schedules 1 and 5)</b>			
<b>Programs</b>			
Community living supports	60,214	62,676	57,429
Employment supports	11,139	7,916	8,398
Community access supports	23,991	28,794	25,845
Specialized community supports	2,412	2,068	1,873
Direct operations	1,032	899	876
Supports to delivery systems	19,680	22,042	19,596
Board governance	165	134	125
	118,633	124,529	114,142
Valuation adjustments (Schedule 1)	84	32	(47)
	118,717	124,561	114,095
<b>Net operating results</b>	<b>\$ (63)</b>	<b>\$ 2,320</b>	<b>\$ 415</b>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Statement of Financial Position**

As at March 31, 2006

(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 10,321	\$ 5,936
Accounts receivable (Note 3)	4	5
Tangible capital assets (Note 6)	77	189
	<b>\$ 10,402</b>	<b>\$ 6,130</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 7,183	\$ 5,231
<b>Net assets</b>		
Net assets at beginning of year	899	484
Net operating results	2,320	415
	<b>3,219</b>	<b>899</b>
	<b>\$ 10,402</b>	<b>\$ 6,130</b>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Statement of Cash Flows**

Year ended March 31, 2006  
(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ 2,320	\$ 415
Non-cash items included in net operating results		
Valuation adjustments	32	(47)
Amortization	112	112
	2,464	480
Decrease (increase) in accounts receivable	1	(1)
Increase in accounts payable and accrued liabilities before valuation adjustments	1,920	212
Cash provided by operating transactions	4,385	691
Capital transactions		
Acquisition of tangible capital assets	-	(107)
Increase in cash	4,385	584
Cash, beginning of year	5,936	5,352
Cash, end of year	\$ 10,321	\$ 5,936

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



# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Calgary Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred*

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- amortization of tangible capital assets;
- 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;
- salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Program Expenses Reported on the Statement of Operations*

Community living supports - expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment supports - expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community access supports - expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized community supports - expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Direct operations – other expenses incurred to operate the following facilities:

- Bow Park Court
- Scenic Bow Legion Group Homes
- Parkmont Achievement Center

# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

Board governance - expenses incurred in support of Board related activities.

#### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.

#### **Assets**

Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Tangible capital assets of the Board are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.

#### **Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### **Net Assets/ Net Liabilities**

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006

(thousands of dollars)

**NOTE 3 ACCOUNTS RECEIVABLE**

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
GST	\$ 4	\$ -	\$ 4	\$ 3
Other	-	-	-	2
	\$ 4	\$ -	\$ 4	\$ 5

Accounts receivable are unsecured and non-interest bearing.

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2006	2005
Accrued grants to individuals	\$ 5,647	\$ 3,550
Employees accrued vacation pay and manpower costs	1,266	1,407
Accrued supplies and services	270	274
	\$ 7,183	\$ 5,231

**NOTE 5 VOLUNTARY CONTRIBUTIONS**

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market value.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006

(thousands of dollars)

**NOTE 6 TANGIBLE CAPITAL ASSETS**

	Estimated Useful Life (years)	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	3	\$ 348	\$ 290	\$ 58	\$ 169
Equipment	15	13	2	11	11
Equipment	10	10	2	8	9
		\$ 371	\$ 294	\$ 77	\$ 189

**NOTE 7 CONTRACTUAL OBLIGATIONS**

As at March 31, 2006 the Board has the following contractual obligations:

	2006	2005
Long term leases <sup>(a)</sup>	\$ 2	\$ 8

<sup>(a)</sup> The Board leases certain equipment under operating leases that expire on various dates.

The aggregate amounts payable for the unexpired terms of the contractual obligations are as follows:

	2006	2005
2006	\$ -	\$ 6
2007	2	2
	\$ 2	\$ 8

The Board contracts on an ongoing basis with service operators to provide services to adults with developmental disabilities in the region. The Board has contracted for services in the year ending March 31, 2007 similar to those provided in 2006.

# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 8 TRUST FUNDS UNDER ADMINISTRATION

The Board administers funds 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 Board's financial statements.

As at March 31, 2006 trust funds under administration were as follows:

	2006	2005
Client trust funds	\$ 73	\$ 65

### NOTE 9 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

The total cost of these services for 49 individuals that has been included in the Statement of Operations is estimated to be \$1,262 (2005 - 54 individuals totalling \$1,372). The total cost for 2 agencies that has been included in the Statement of Operations is estimated to be \$1,076 (2005 - 2 agencies totalling \$1,068).

### NOTE 10 SUBSEQUENT EVENTS

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The Bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 11 COMPARATIVE FIGURES**

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

**NOTE 12 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006

(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 12,226	\$ 11,498	\$ 11,274
Supplies and services	54,117	59,617	52,514
Grants	52,181	53,900	51,226
Amortization of tangible capital assets	109	112	112
	118,633	125,127	115,126
Valuation adjustments	84	32	(47)
Total expenses before recoveries	118,717	125,159	115,079
Less recovery from support service arrangement with related parties <sup>(a)</sup>	-	(598)	(984)
	\$ 118,717	\$ 124,561	\$ 114,095

<sup>(a)</sup> The Board provides specialized program supports to children who are the responsibility of Calgary and Area Child and Family Services Authority. Costs incurred for these activities are recovered from the Calgary and Area Child and Family Services Authority.



# PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 2

	2005-2006 Budget	Reallocation From Provincial Board <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
Revenue				
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 118,654	\$ 5,535	\$ 2,667	\$ 126,856
Expenses - Directly Incurred				
Community living supports	60,214	3,674	2,667	66,555
Employment supports	11,139	(3,310)	-	7,829
Community access supports	23,991	4,229	-	28,220
Specialized community supports	2,412	(503)	-	1,909
Direct operations	1,032	(79)	-	953
Supports to delivery systems	19,680	1,524	-	21,204
Board governance	165	-	-	165
	118,633	5,535	2,667	126,835
Valuation adjustments	84	-	-	84
Net operating results	\$ (63)	\$ -	\$ -	\$ (63)
Capital investments	\$ 130	\$ -	\$ -	\$ 130

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on July 14, 2005.

<sup>(b)</sup> Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 24	\$ -	\$ 24	\$ 22
Board Members <sup>(e)</sup>	-	71	-	71	77
Chief Executive Officer <sup>(f)</sup>	109	15	25	149	142
Executive Director, Graduated Supports <sup>(g)</sup>	85	4	21	110	103
Manager, Individual Supports <sup>(g)</sup>	71	3	21	95	106
Manager, Community Resource Management <sup>(g)</sup>	59	4	15	78	104

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

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

(d) These amounts represent honoraria payments made to the Chair of the Board (occupied by two individuals during the year).

(e) There are 6 board member positions. These amounts represent honoraria payments made to the board members during the year.

(f) These payments are made to the Chief Executive Officer (occupied by two individuals through the year) under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports. One additional individual acted as Interim Chief Executive Officer for the period April 11, 2005 to September 1, 2005. The costs associated with this individual were borne by the Department of Seniors and Community Supports, and are not reflected in this schedule.

(g) Executive are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

## PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 126,856	\$ 114,228	\$ -	\$ -
Expenses - Directly Incurred				
Department of Restructuring and Government Efficiency	\$ -	\$ -	\$ 278	\$ 312
Executive Council	-	-	-	65
Department of Children Services	-	-	43	-
Advanced Education – Post Secondary Institutions	-	-	139	-
	\$ -	\$ -	\$ 460	\$ 377

As at March 31, 2006, accounts payable of the Board include amounts owing of \$52 (2005 - \$88) to the Department of Restructuring and Government Efficiency, \$Nil (2005 - \$14) to the Executive Council and \$43 (2005 - \$Nil) to Children Services.

## PERSONS WITH DEVELOPMENTAL DISABILITIES CALGARY REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 1,717	\$ 1,984
Department of Justice and Attorney General	-	-	18	8
Executive Council	-	-	33	-
	\$ -	\$ -	\$ 1,768	\$ 1,992

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CALGARY REGION COMMUNITY BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

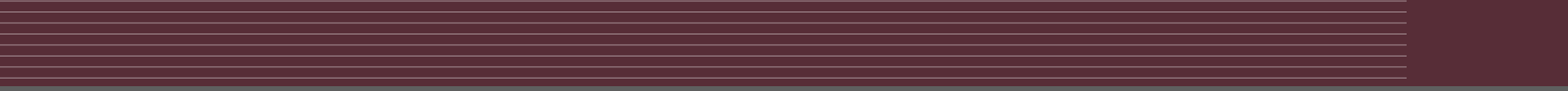
Program	2006						2005
	Expenses <sup>(a)</sup>	Expenses - Incurred by Others			Valuation Adjustments		Total Expenses
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(c)</sup>	Provision for Vacation and Overtime Pay <sup>(d)</sup>	Total Expenses	
Community living supports	\$ 62,676	\$ 1,193	\$ -	\$ -	\$ -	\$ 63,869	\$ 58,881
Employment supports	7,916	-	-	-	-	7,916	8,398
Community access supports	28,794	221	-	-	-	29,015	26,075
Specialized community supports	2,068	-	-	-	-	2,068	1,873
Direct operations	899	-	-	-	-	899	876
Supports to delivery systems	22,042	303	18	33	32	22,428	19,859
Board governance	134	-	-	-	-	134	125
	\$ 124,529	\$ 1,717	\$ 18	\$ 33	\$ 32	\$ 126,329	\$ 116,087

<sup>(a)</sup> Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

<sup>(b)</sup> Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

<sup>(c)</sup> Costs shown for Legal Services and Other Services per Schedule 4.

<sup>(d)</sup> Provision for Vacation and Overtime Pay have been allocated based on the actual provision relating to each program by employee.



**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Financial Statements

March 31, 2006

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses - Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs



# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Auditor's Report



To the Members of the Board of Directors of the Persons with Developmental Disabilities Central Region Community Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities Central Region Community Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Central Region Community Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 9, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn**, FCA  
Auditor General

Edmonton, Alberta  
May 8, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Transfer from Persons with Developmental Disabilities			
Provincial Board	\$ 120,387	\$ 123,975	\$ 117,818
Previous year's refund of expenditures	-	169	181
Fee revenue	890	1,135	1,162
Program fund revenue	400	210	299
	121,677	125,489	119,460
<b>Expenses - Directly Incurred (Note 2(b), Schedules 1 and 5)</b>			
<b>Programs</b>			
Community living supports	68,894	71,703	67,970
Employment supports	3,994	3,067	2,952
Community access supports	13,661	13,354	12,651
Specialized community supports	3,822	4,913	3,670
Direct operations	15,148	14,304	15,067
Supports to delivery systems	15,299	17,074	16,122
Board governance	165	126	152
Program fund	564	211	374
	121,547	124,752	118,958
Valuation adjustments (Schedule 1)	366	294	348
<b>Other expenses</b>			
Loss on disposal of assets	-	9	18
	121,913	125,055	119,324
<b>Net Operating Results</b>	<b>\$ (236)</b>	<b>\$ 434</b>	<b>\$ 136</b>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Statement of Financial Position**

As at March 31, 2006  
(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 9,009	\$ 6,888
Accounts receivable (Note 3)	243	325
Inventory	469	404
Tangible capital assets (Note 6)	1,261	1,319
	<b>\$ 10,982</b>	<b>\$ 8,936</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 10,179	\$ 8,567
<b>Net Assets</b>		
Net assets at beginning of year	369	622
Net operating results	434	136
Transfer to General Revenue Fund	-	(389)
	<b>803</b>	<b>369</b>
	<b>\$ 10,982</b>	<b>\$ 8,936</b>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Statement of Cash Flows**

Year ended March 31, 2006  
(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ 434	\$ 136
Non-cash items included in net operating results		
Valuation adjustments	294	348
Amortization	311	296
Loss on disposal of assets	9	18
	1,048	798
Decrease in accounts receivable	82	77
(Increase) decrease in inventory	(65)	19
Increase in accounts payable and accrued liabilities before valuation adjustments	1,318	256
	2,383	1,150
Financing transactions		
Transfer to General Revenue Fund	-	(389)
Capital transactions		
Purchase of tangible capital assets	(262)	(458)
	2,121	303
Increase in cash		
Cash, beginning of year	6,888	6,585
Cash, end of year	\$ 9,009	\$ 6,888

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

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Central Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred Expenses*

Expenses directly incurred are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- amortization of tangible capital assets;
- 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;
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Revenues and Expenses Reported on the Statement of Operations*

Fee revenue - Michener Centre and Youngstown Home collect fees from certain residents in accordance with the Social Care Facilities Rates Order. Fees in the amount of \$1,041 were collected during the year (2005 - \$989). In addition, Michener Centre collects fees from external users of the Roland Michener Recreation Centre. Fees in the amount of \$94 were collected during the year (2005 - \$173).

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

Program fund revenue and expenses - The Board administers funds that are designated by the Minister of Finance as regulated. Revenues are generated from and expenses are incurred for the production and sale of goods and the provision of dental services to external users. The funds are used to provide recreational, social and vocational opportunities and dental services to persons with developmental disabilities.

Community living supports - expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment supports - expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community access supports - expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized community supports - expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Direct Operations - other expenses incurred to operate the following facilities:

- Michener Centre, Red Deer, Alberta
- Youngstown Home, Youngstown, Alberta

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

Board governance - expenses incurred in support of Board related activities.

#### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.

#### **Assets**

Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost method.

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

Tangible capital assets of the Board are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.

#### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

#### Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

### NOTE 3 ACCOUNTS RECEIVABLE

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Trades receivable	\$ 137	\$ -	\$ 137	\$ 158
Contract recovery	102	-	102	161
Other	4	-	4	6
	<u>\$ 243</u>	<u>\$ -</u>	<u>\$ 243</u>	<u>\$ 325</u>

Accounts receivable are unsecured and non-interest bearing.



**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2006	2005
Accrued grants to individuals	\$ 1,819	\$ 1,289
Employees accrued vacation pay and manpower costs	5,682	6,045
Accrued supplies and services	2,613	1,233
Accrued capital purchases	65	-
	<b>\$ 10,179</b>	<b>\$ 8,567</b>

**NOTE 5 VOLUNTARY CONTRIBUTIONS**

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market value.

**NOTE 6 TANGIBLE CAPITAL ASSETS**

	Estimated Useful Life (years)	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	5	\$ 435	\$ 413	\$ 22	\$ 34
Equipment	5-10	3,659	2,420	1,239	1,285
		<b>\$ 4,094</b>	<b>\$ 2,833</b>	<b>\$ 1,261</b>	<b>\$ 1,319</b>

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 7 CONTRACTUAL OBLIGATIONS**

As at March 31, 2006, the Board has the following contractual obligations:

	2006	2005
Service contracts <sup>(a)</sup>	\$ 2,751	\$ 6,583
Long-term leases <sup>(b)</sup>	211	333
	<b>\$ 2,962</b>	<b>\$ 6,916</b>

<sup>(a)</sup> Actual amounts are dependent on the usage of service.

<sup>(b)</sup> The Board leases certain equipment under operating leases that expire on various dates.

The aggregate amounts payable for the unexpired terms of the contractual obligations are as follows:

	2006			2005
	Service Contracts	Long-term Leases	Total	Total
2006	\$ -	\$ -	\$ -	\$ 4,105
2007	2,553	137	2,690	2,573
2008	198	49	247	227
2009	-	20	20	11
2010	-	5	5	-
	<b>\$ 2,751</b>	<b>\$ 211</b>	<b>\$ 2,962</b>	<b>\$ 6,916</b>

The Board contracts on an ongoing basis with service operators to provide services to adults with developmental disabilities in the region. The Board has contracted for services in the year ending March 31, 2007 similar to those provided in 2006.

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 8 TRUST FUNDS UNDER ADMINISTRATION

The Board administers trust funds 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 Board's financial statements.

As at March 31, 2006 trust funds under administration were as follows:

	2006	2005
Client Trust Funds	\$ 212	\$ 249

### NOTE 9 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, the Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

The total cost of these services for 6 individuals that has been included in the Statement of Operations is estimated to be \$249 (2005 - 9 clients totalling \$419).

### NOTE 10 SUBSEQUENT EVENTS

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 11 COMPARATIVE FIGURES**

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

**NOTE 12 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 43,250	\$ 45,696	\$ 43,212
Supplies and services	64,302	64,767	62,210
Grants	13,665	13,978	13,240
Amortization of tangible capital assets	330	311	296
	121,547	124,752	118,958
Valuation adjustments	366	294	348
	\$ 121,913	\$ 125,046	\$ 119,306

# PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 2

	2005-2006 Budget	Reallocation From Provincial Board <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
<b>Revenue</b>				
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 120,387	\$ 1,863	\$ 1,725	\$ 123,975
Fee revenue	890	-	-	890
Program fund revenue	400	-	-	400
	<u>121,677</u>	<u>1,863</u>	<u>1,725</u>	<u>125,265</u>
<b>Expenses - Directly Incurred</b>				
Community living supports	68,894	2,278	1,725	72,897
Employment supports	3,994	136	-	4,130
Community access supports	13,661	325	-	13,986
Specialized community supports	3,822	728	-	4,550
Direct operations	15,148	(771)	-	14,377
Supports to delivery systems	15,299	(511)	-	14,788
Board governance	165	(8)	-	157
Program fund	564	(314)	-	250
	<u>121,547</u>	<u>1,863</u>	<u>1,725</u>	<u>125,135</u>
Valuation adjustments	366	-	-	366
Net operating results	<u>\$ (236)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (236)</u>

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on July 14, 2005.

<sup>(b)</sup> Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 22	\$ -	\$ 22	\$ 23
Board Members <sup>(e)</sup>	-	67	-	67	83
Chief Executive Officer <sup>(f)</sup>	122	19	29	170	146
Chief Operating Officer <sup>(g)</sup>	95	23	25	143	119
Specialty Services Manager <sup>(g)</sup>	88	9	22	119	110
Manager, Human Resources <sup>(g)</sup>	80	8	20	108	112
Chief Financial Officer <sup>(g)</sup>	80	9	19	108	97
Manager, Corporate Development <sup>(g)</sup>	76	8	19	103	101
Director, Community Resources <sup>(g)</sup>	89	9	22	120	110
Project Manager <sup>(g)</sup>	50	5	12	67	-

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

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

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 9 board member positions. These amounts represent honoraria payments made to the board members during the year.

(f) These payments are made to the Chief Executive Officer under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports.

(g) Executives are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

## PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 123,975	\$ 117,818	\$ -	\$ -
Expenses - Directly Incurred				
Executive Council	\$ -	\$ -	\$ -	\$ 73
Department of Restructuring and Government Efficiency	-	-	754	757
Advanced Education	-	-	208	134
Department of Health and Wellness	-	-	415	264
	\$ -	\$ -	\$ 1,377	\$ 1,228

As at March 31, 2006, accounts payable of the Board include amounts owing of \$0 (2005 - \$8) to the Executive Council and \$114 (2005 - \$251) to the Department of Restructuring and Government Efficiency.



## PERSONS WITH DEVELOPMENTAL DISABILITIES CENTRAL REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 6,761	\$ 6,005
Department of Justice and Attorney General	-	-	16	17
Executive Council	-	-	253	-
	\$ -	\$ -	\$ 7,030	\$ 6,022

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
CENTRAL REGION COMMUNITY BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

Program	2006						2005
	Expenses <sup>(a)</sup>	Expenses - Incurred by Others			Valuation Adjustments		Total Expenses
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(c)</sup>	Provision for Vacation and Overtime Pay <sup>(d)</sup>	Total Expenses	
Community living supports	\$ 71,703	\$ 4,125	\$ 16	\$ -	\$ 506	\$ 76,350	\$ 71,902
Employment supports	3,067	-	-	-	-	3,067	2,952
Community access supports	13,354	743	-	-	20	14,117	13,275
Specialized community supports	4,913	270	-	-	(223)	4,960	3,955
Direct operations	14,304	1,150	-	5	(21)	15,438	16,142
Supports to delivery systems	17,074	473	-	248	12	17,807	16,576
Board governance	126	-	-	-	-	126	152
Program fund	211	-	-	-	-	211	374
	\$ 124,752	\$ 6,761	\$ 16	\$ 253	\$ 294	\$ 132,076	125,328

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

(c) Costs shown for Legal Services and Other Services per Schedule 4.

(d) Provision for Vacation and Overtime Pay have been allocated based on the actual provision relating to each program by employee.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

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**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Auditor's Report**



To the Members of the Board of Directors of the Persons with Developmental Disabilities Edmonton Region Community Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities Edmonton Region Community Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Edmonton Region Community Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 9, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn, FCA**  
Auditor General

Edmonton, Alberta  
May 19, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

## Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 138,622	\$ 141,241	\$ 133,443
Previous year's refund of expenditures	-	887	706
Premiums, fees and licenses	100	307	207
	138,722	142,435	134,356
<b>Expenses - Directly Incurred (Note 2(b) and Schedules 1 and 5)</b>			
<b>Programs</b>			
Community living supports	79,665	82,127	77,544
Employment supports	7,154	6,779	6,722
Community access supports	15,468	15,482	15,583
Specialized community supports	12,158	12,367	11,748
Direct operations	1,563	1,338	1,319
Supports to delivery systems	22,566	22,753	20,498
Board governance	150	95	128
	138,724	140,941	133,542
Valuation adjustments (Schedule 1)	119	118	76
	138,843	141,059	133,618
<b>Net operating results</b>	<b>\$ (121)</b>	<b>\$ 1,376</b>	<b>\$ 738</b>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Statement of Financial Position**

As at March 31, 2006

(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 10,613	\$ 7,831
Accounts receivable (Note 3)	324	136
Tangible capital assets (Note 6)	21	4
	\$ 10,958	\$ 7,971
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 9,166	\$ 7,555
<b>Net Assets</b>		
Net assets (liabilities) at beginning of year	416	(322)
Net operating results	1,376	738
	1,792	416
Net assets at end of year	\$ 10,958	\$ 7,971

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Statement of Cash Flows**

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ 1,376	\$ 738
Non-cash items included in net operating results		
Valuation adjustments	118	76
Amortization	10	4
	1,504	818
(Increase) decrease in accounts receivable	(188)	222
Increase in accounts payable and accrued liabilities before valuation adjustments	1,493	960
Cash provided by operating transactions	2,809	2,000
Capital transactions		
Acquisition of tangible capital assets	(27)	-
Increase in cash	2,782	2,000
Cash, beginning of year	7,831	5,831
Cash, end of year	\$ 10,613	\$ 7,831

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



# PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Edmonton Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred*

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- amortization of tangible capital assets;
- 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;
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Program Expenses Reported on the Statement of Operations*

Community living supports - expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment supports - expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community access supports - expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized community supports - expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Direct operations - other expenses incurred to operate the Eric Cormack Center and 11 community homes in the greater Edmonton area.

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

# PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

Board governance - expenses incurred in support of Board related activities.

#### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.

#### Assets

Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Tangible capital assets of the Board are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.

#### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in future.

#### Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006

(thousands of dollars)

**NOTE 3 ACCOUNTS RECEIVABLE**

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Maintenance recovery	\$ 86	\$ -	\$ 86	\$ 39
GST receivable	3	-	3	3
Contract recovery	166	-	166	-
Other	69	-	69	94
	<b>\$ 324</b>	<b>\$ -</b>	<b>\$ 324</b>	<b>\$ 136</b>

Accounts receivable are unsecured and non-interest bearing.

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2006	2005
Accrued grants to individuals	\$ 7,279	\$ 5,553
Employees' accrued vacation pay and manpower costs	1,485	1,615
Accrued supplies and services	402	387
	<b>\$ 9,166</b>	<b>\$ 7,555</b>

**NOTE 5 VOLUNTARY CONTRIBUTIONS**

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulties in determining their fair market value.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 6 TANGIBLE CAPITAL ASSETS**

	Estimated Useful Life (years)	2006			2005
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7	\$ 17	\$ 17	\$ -	\$ 4
Leasehold improvements	5	27	6	21	-
		\$ 44	\$ 23	\$ 21	\$ 4

**NOTE 7 CONTRACTUAL OBLIGATIONS**

The Board contracts on an ongoing basis with service operators to provide services to adults with developmental disabilities in the region. The Board has contracted for services in the year ending March 31, 2007 similar to those provided in 2006.

**NOTE 8 TRUST FUNDS UNDER ADMINISTRATION**

The Board administers funds 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 Board's financial statements.

As at March 31, 2006 trust funds under administration were as follows:

	2006	2005
Client trust funds	\$ 66	\$ 54
Donations to clients	2	2
	\$ 68	\$ 56

## PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

### Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

#### NOTE 9 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program.

Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

The total cost of these services in 2006 for 12 individuals that has been included in the Statement of Operations is estimated to be \$616 (2005 – 15 clients totalling \$722). The total cost for 1 agency that has been included in the Statement of Operations is estimated to be \$382 (2005 – 1 agency totalling \$379).

#### NOTE 10 SUBSEQUENT EVENTS

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

#### NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006

(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 15,199	\$ 15,412	\$ 14,955
Supplies and services	75,684	80,823	72,209
Grants	47,839	44,696	46,374
Amortization of tangible capital assets	2	10	4
	138,724	140,941	133,542
Valuation adjustments	119	118	76
	\$ 138,843	\$ 141,059	\$ 133,618

# PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

## Budget

Year ended March 31, 2006

(thousands of dollars)

### SCHEDULE 2

	2005-2006 Budget	Reallocation From Provincial Board <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
<b>Revenue</b>				
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 138,622	\$ (728)	\$ 3,347	\$ 141,241
Premiums, fees and licenses	100	-	-	100
	138,722	(728)	3,347	141,341
<b>Expenses - Directly Incurred</b>				
Community living supports	79,665	721	3,347	83,733
Employment supports	7,154	-	-	7,154
Community access supports	15,468	309	-	15,777
Specialized community supports	12,158	-	-	12,158
Direct operations	1,563	(65)	-	1,498
Supports to delivery systems	22,566	(1,683)	-	20,883
Board governance	150	(10)	-	140
	138,724	(728)	3,347	141,343
Valuation adjustments	119	-	-	119
Net operating results	\$ (121)	\$ -	\$ -	\$ (121)

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on July 14, 2005

<sup>(b)</sup> Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006.



## PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 27	\$ -	\$ 27	\$ 33
Board Members <sup>(e)</sup>	-	39	-	39	59
Chief Executive Officer <sup>(f)</sup>	119	18	27	164	147
Assistant Chief Executive Officer <sup>(g)</sup>	100	7	23	130	115
Executive Director, Residential Services <sup>(g)</sup>	88	6	21	115	104

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

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

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 7 board member positions. These amounts represent honoraria payments made to the board members during the year.

(f) These payments are made to the Chief Executive Officer under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports.

(g) Executives are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

## PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 141,241	\$ 133,443	\$ -	\$ -
Expenses - Directly Incurred				
Department of Restructuring and Government Efficiency	\$ -	\$ -	\$ 299	\$ 328
Executive Council	-	-	-	120
Capital Health Authority	-	-	382	286
Edmonton and Area CFSA	-	-	-	135
	\$ -	\$ -	\$ 681	\$ 869

As at March 31, 2006, accounts payable of the Board include amounts owing of \$58 (2005 – \$91) to the Department of Restructuring and Government Efficiency.

## PERSONS WITH DEVELOPMENTAL DISABILITIES EDMONTON REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 1,668	\$ 1,605
Executive Council	-	-	108	-
Department of Justice and Attorney General	-	-	89	43
	\$ -	\$ -	\$ 1,865	\$ 1,648

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
EDMONTON REGION COMMUNITY BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

Program	2006					2005
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(c)</sup>	Valuation Adjustments	Total Expenses
Community living supports	\$ 82,127	\$ 1,312	\$ -	\$ -	\$ 65	\$ 83,504
Employment supports	6,779	-	-	-	-	6,779
Community access supports	15,482	-	-	-	-	15,482
Specialized community supports	12,367	-	-	-	-	12,367
Direct operations	1,338	-	-	-	-	1,338
Supports to delivery systems	22,753	356	89	108	53	23,359
Board governance	95	-	-	-	-	95
	\$ 140,941	\$ 1,668	\$ 89	\$ 108	\$ 118	\$ 142,924
						\$ 78,884
						6,722
						15,583
						11,748
						1,319
						20,882
						128

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

(c) Costs shown for Legal Services and Other Services per Schedule 4.

(d) Provision for Vacation Pay has been allocated based on the actual provision relating to each program by employee.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Financial Statements

March 31, 2006

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# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Auditor's Report



To the Members of the Board of Directors of the Persons with Developmental Disabilities Northeast Region Community Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities Northeast Region Community Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northeast Region Community Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 7, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn**, FCA  
Auditor General

Edmonton, Alberta  
May 17, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget	Actual	Actual
	(Schedule 2)		
Revenues			
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 24,069	\$ 25,593	\$ 22,983
Previous year's refund of expenditures	-	60	52
	24,069	25,653	23,035
Expenses - Directly Incurred (Note 2(b), Schedules 1 and 5)			
Programs			
Community living supports	11,723	11,824	10,877
Employment supports	1,924	1,879	1,832
Community access supports	4,106	4,079	3,899
Specialized community supports	519	481	476
Supports to delivery systems	5,628	5,959	5,452
Board governance	169	152	153
	24,069	24,374	22,689
Valuation adjustments (Schedule 1)	8	40	12
	24,077	24,414	22,701
Net operating results	\$ (8)	\$ 1,239	\$ 334

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



**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Statement of Financial Position**

As at March 31, 2006  
(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 5,009	\$ 3,491
Accounts receivable (Note 3)	7	2
	<b>\$ 5,016</b>	<b>\$ 3,493</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 1,570	\$ 1,286
<b>Net Assets</b>		
Net assets at beginning of year	2,207	1,873
Net operating results	1,239	334
	<b>3,446</b>	<b>2,207</b>
	<b>\$ 5,016</b>	<b>\$ 3,493</b>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Statement of Cash Flows**

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ 1,239	\$ 334
Non-cash items included in net operating results		
Valuation adjustments	40	12
	1,279	346
Increase in accounts receivable	(5)	-
Increase in accounts payable and accrued liabilities before valuation adjustments	244	128
Cash provided by operating transactions	1,518	474
Cash, beginning of year	3,491	3,017
Cash, end of year	\$ 5,009	\$ 3,491

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

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Northeast Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred*

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- 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;
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Program Expenses Reported on the Statement of Operations*

Community living supports - expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment supports - expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community access supports - expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized community supports - expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

Board governance - expenses incurred in support of Board related activities.

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.

##### **Assets**

Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Tangible capital assets of the Board are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.

##### **Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

##### **Net Assets/Net Liabilities**

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 3 ACCOUNTS RECEIVABLE**

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
GST	\$ 3	\$ -	\$ 3	\$ 2
Accrued receivables	4	-	4	-
	\$ 7	\$ -	\$ 7	\$ 2

Accounts receivable are unsecured and non-interest bearing.

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2006	2005
Accrued grants to individuals	\$ 1,175	\$ 907
Employees accrued vacation pay and manpower costs	232	205
Accrued supplies and services	163	174
	\$ 1,570	\$ 1,286

**NOTE 5 VOLUNTARY CONTRIBUTIONS**

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulties in determining their fair market value.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 6 CONTRACTUAL OBLIGATIONS**

As at March 31, 2006, the Board has the following contractual obligations:

	2006	2005
Long-term leases <sup>(a)</sup>	\$ 17	\$ 34

<sup>(a)</sup> The Board leases certain equipment under operating leases that expire on various dates.

The aggregate amounts payable for the unexpired terms of the contractual obligations are as follows:

	2006	2005
2006	\$ -	\$ 17
2007	14	14
2008	3	3
	\$ 17	\$ 34

The Board contracts on an ongoing basis with service operators to provide services to adults with developmental disabilities in the region. The Board has contracted for services in the year ending March 31, 2007 similar to those provided in 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

### Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

#### NOTE 7 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

The total cost of these services for 10 individuals that has been included in the Statement of Operations is estimated to be \$245 (2005 – 10 individuals totalling \$290).

#### NOTE 8 SUBSEQUENT EVENTS

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

#### NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.



**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 1,514	\$ 1,618	\$ 1,528
Supplies and services	11,004	12,348	11,089
Grants	11,551	10,408	10,072
	24,069	24,374	22,689
Valuation adjustments	8	40	12
	\$ 24,077	\$ 24,414	\$ 22,701

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 2

	2005-2006 Budget	Reallocation From Provincial Board <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
Revenue				
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 24,069	\$ 929	\$ 595	\$ 25,593
Expenses - Directly Incurred				
Community living supports	11,723	297	391	12,411
Employment supports	1,924	186	68	2,178
Community access supports	4,106	42	136	4,284
Specialized community supports	519	1	-	520
Supports to delivery systems	5,628	403	-	6,031
Board governance	169	-	-	169
	24,069	929	595	25,593
Valuation adjustments	8	-	-	8
Net operating results	\$ (8)	\$ -	\$ -	\$ (8)

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on July 14, 2005

<sup>(b)</sup> Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 28	\$ -	\$ 28	\$ 15
Board Members <sup>(e)</sup>	-	73	-	73	85
Chief Executive Officer <sup>(f)</sup>	106	16	25	147	145
Manager, Finance and Monitoring <sup>(g)</sup>	81	10	20	111	98
Manager, Community Integration <sup>(g) (h)</sup>	69	13	17	99	33

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

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

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year. There were two vacant positions for the last eight months of the fiscal year.

(f) These payments are made to the Chief Executive Officer (occupied by two individuals through the year) under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports.

(g) Executives are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

(h) The position of Manager, Community Integration was occupied by two individuals during the fiscal year.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 25,593	\$ 22,983	\$ -	\$ -
Expenses - Directly Incurred				
Executive Council	\$ -	\$ -	\$ -	\$ 26
Department of Children Services	-	-	16	1
Alberta Human Resources and Employment	-	-	20	35
Advanced Education	-	-	79	67
Department of Restructuring and Government Efficiency	-	-	65	63
	\$ -	\$ -	\$ 180	\$ 192

As at March 31, 2006, accounts payable of the Board include amounts owing of \$15 (2005 - \$0) to the Department of Children Services, \$3 (2005 - \$0) to Alberta Human Resources and Employment, \$16 (2005 - \$18) to the Department of Restructuring and Government Efficiency and \$0 (2005 - \$1) to the Department of Finance.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHEAST REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 142	\$ 79
Department of Justice and Attorney General	-	-	-	4
Executive Council	-	-	5	-
	\$ -	\$ -	\$ 147	\$ 83

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHEAST REGION COMMUNITY BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

Program	2006					2005
	Expenses (a)	Expenses - Incurred by Others			Valuation Adjustments	
		Accommodation Costs (b)	Legal Services (c)	Other Services (c)	Provision for Vacation Pay (d)	Total Expenses
Community living supports	\$ 11,824	\$ -	\$ -	\$ -	\$ -	\$ 11,824
Employment supports	1,879	-	-	-	-	1,879
Community access supports	4,079	-	-	-	-	4,079
Specialized community supports	481	-	-	-	-	481
Supports to delivery systems	5,959	142	-	5	40	6,146
Board governance	152	-	-	-	-	152
	\$ 24,374	\$ 142	\$ -	\$ 5	\$ 40	\$ 24,561
						\$ 22,784

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

(c) Costs shown for Legal Services and Other Services per Schedule 4.

(d) Provision for Vacation Pay has been allocated based on the actual provision relating to each program by employee.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Financial Statements

March 31, 2006

Auditor's Report

Statement of Operations

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Statement of Cash Flows

Notes to the Financial Statements

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Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs



# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Auditor's Report



To the Members of the Board of Directors of the Persons with Developmental Disabilities Northwest Region Community Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities Northwest Region Community Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northwest Region Community Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 7, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn**, FCA  
Auditor General

Edmonton, Alberta  
May 16, 2006

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Statement of Operations**

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 18,079	\$ 18,603	\$ 17,293
Previous year's refund of expenditures	-	17	23
	18,079	18,620	17,316
<b>Expenses - Directly Incurred (Note 2(b), Schedules 1 and 5)</b>			
<b>Programs</b>			
Community living supports	9,207	9,856	8,802
Employment supports	1,988	1,906	1,883
Community access supports	2,169	2,060	1,944
Specialized community supports	472	534	437
Supports to delivery systems	4,074	3,810	4,021
Board governance	160	142	167
	18,070	18,308	17,254
Valuation adjustments (Schedule 1)	7	23	(2)
	18,077	18,331	17,252
<b>Net operating results</b>	\$ 2	\$ 289	\$ 64

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Statement of Financial Position**

As at March 31, 2006

(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 2,021	\$ 1,257
Accounts receivable (Note 3)	14	3
	\$ 2,035	\$ 1,260
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 1,334	\$ 848
<b>Net Assets</b>		
Net assets at beginning of year	412	348
Net operating results	289	64
	701	412
	\$ 2,035	\$ 1,260

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Statement of Cash Flows**

Year ended March 31, 2006

(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ 289	\$ 64
Non-cash items included in net operating results		
Amortization	-	16
Valuation adjustments	23	(2)
	312	78
Increase in accounts receivable	(11)	(1)
Increase (decrease) in accounts payable and accrued liabilities before valuation adjustments	463	(28)
Cash provided by operating transactions	764	49
Cash, beginning of year	1,257	1,208
Cash, end of year	\$ 2,021	\$ 1,257

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

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities Northwest Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred*

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- 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;
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Program Expenses Reported on the Statement of Operations*

Community living supports - expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment supports - expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community access supports - expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized community supports - expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

Board governance - expenses incurred in support of Board related activities.

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.

##### **Assets**

Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Tangible capital assets of the Board are recorded 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 \$100 and the threshold for all other tangible capital assets is \$5.

##### **Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

##### **Net Assets/Net Liabilities**

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 3 ACCOUNTS RECEIVABLE**

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Funds and agencies	\$ 12	\$ -	\$ 12	\$ -
GST	2	-	2	3
	\$ 14	\$ -	\$ 14	\$ 3

Accounts receivable are unsecured and non-interest bearing.

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2006	2005
Accrued grants to individuals	\$ 930	\$ 648
Employees accrued vacation pay and manpower costs	149	141
Accrued supplies and services	255	59
	\$ 1,334	\$ 848

**NOTE 5 VOLUNTARY CONTRIBUTIONS**

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market value.



# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 6 CONTRACTUAL OBLIGATIONS

As at March 31, 2006, the Board has the following contractual obligations:

	2006	2005
Long-term Leases <sup>(a)</sup>	\$ 10	\$ 7

<sup>(a)</sup> The Board leases certain equipment under operating leases that expire on various dates.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2006	2005
2006	\$ -	\$ 7
2007	5	-
2008	5	-
	\$ 10	\$ 7

The Board contracts on an ongoing basis with service operators to provide services to adults with developmental disabilities in the region. The Board has contracted for services in the year ending March 31, 2007 similar to those provided in 2006.

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 7 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

The total cost of these services for 2 individuals that has been included in the Statement of Operations is estimated to be \$2 (2005 – 3 individuals totalling \$8).

### NOTE 8 SUBSEQUENT EVENTS

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

### NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006

(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 1,298	\$ 1,246	\$ 1,234
Supplies and services	8,469	8,157	8,828
Grants	8,297	8,905	7,176
Amortization of tangible capital assets	6	-	16
	18,070	18,308	17,254
Valuation adjustments	7	23	(2)
	\$ 18,077	\$ 18,331	\$ 17,252

# PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 2

	2005-2006 Budget	Reallocation From Provincial Board <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
Revenue				
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 18,079	\$ 65	\$ 459	\$ 18,603
Expenses - Directly Incurred				
Community living supports	9,207	(18)	459	9,648
Employment supports	1,988	-	-	1,988
Community access supports	2,169	-	-	2,169
Specialized community supports	472	-	-	472
Supports to delivery systems	4,074	83	-	4,157
Board governance	160	-	-	160
	18,070	65	459	18,594
Valuation adjustments	7	-	-	7
Net operating results	\$ 2	\$ -	\$ -	\$ 2

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on July 14, 2005.

<sup>(b)</sup> Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006  
(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 18	\$ -	\$ 18	\$ 23
Board Members <sup>(e)</sup>	-	63	-	63	80
Chief Executive Officer <sup>(f)</sup>	103	24	27	154	123
Community Resource Manager <sup>(g)</sup>	77	7	21	105	94
Finance Manager <sup>(g)</sup>	64	2	16	82	80

<sup>(a)</sup> Base salary includes pensionable base pay.

<sup>(b)</sup> Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

<sup>(d)</sup> These amounts represent honoraria payments made to the Chair of the Board.

<sup>(e)</sup> There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

<sup>(f)</sup> These payments are made to the Chief Executive Officer under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports.

<sup>(g)</sup> Executives are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 18,603	\$ 17,293	\$ -	\$ -
Expenses - Directly Incurred				
Department of Restructuring and Government Efficiency	\$ -	\$ -	\$ 77	\$ 82
Advanced Education	-	-	3	-
Department of Children's Services	-	-	7	24
Persons with Developmental Disabilities Provincial Board	2	-	-	-
	\$ 2	\$ -	\$ 87	\$ 106

As at March 31, 2006, accounts payable of the Board include amounts owing of \$15 (2005 - \$21) to the Department of Restructuring and Government Efficiency, \$7 (2005 - \$0) to the Department of Children's Services, and \$2 (2005 - \$0) to the Persons with Developmental Disabilities Provincial Board.

## PERSONS WITH DEVELOPMENTAL DISABILITIES NORTHWEST REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 116	\$ 68
Department of Justice and Attorney General	-	-	1	2
Executive Council	-	-	54	-
	\$ -	\$ -	\$ 171	\$ 70

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
NORTHWEST REGION COMMUNITY BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

Program	2006					2005
	Expenses <sup>(a)</sup>	Expenses - Incurred by Others			Valuation Adjustments	
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(c)</sup>	Provision for Vacation Pay <sup>(d)</sup>	Total Expenses
Community living supports	\$ 9,856	\$ -	\$ -	\$ -	\$ 9,856	\$ 8,802
Employment supports	1,906	-	-	-	1,906	1,883
Community access supports	2,060	-	-	-	2,060	1,944
Specialized community supports	534	-	-	-	534	437
Supports to delivery systems	3,810	116	1	54	4,004	4,089
Board governance	142	-	-	-	142	167
	\$ 18,308	\$ 116	\$ 1	\$ 54	\$ 18,502	\$ 17,322

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

(c) Costs shown for Legal Services and Other Services per Schedule 4.

(d) Provision for Vacation Pay has been allocated based on the actual provision relating to each program by employee.



**PERSONS WITH DEVELOPMENTAL DISABILITIES  
SOUTH REGION COMMUNITY BOARD**

**Financial Statements**

March 31, 2006

# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Financial Statements

March 31, 2006

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 Expenses - Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Salary and Benefits Disclosure

Schedule 4 Related Party Transactions

Schedule 5 Allocated Costs

# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Auditor's Report



To the Members of the Board of Directors of the Persons with Developmental Disabilities South Region Community Board and the Minister of Seniors and Community Supports

I have audited the statement of financial position of the Persons with Developmental Disabilities South Region Community Board as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities South Region Community Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 7, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

[original signed]

**Fred J. Dunn**, FCA  
Auditor General

Edmonton, Alberta  
April 29, 2006

## PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

### Statement of Operations

Year ended March 31, 2006

(thousands of dollars)

	2006		2005
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Transfers from Persons with Developmental Disabilities Provincial Board	\$ 52,522	\$ 53,291	\$ 50,947
Previous year's refund of expenditures	-	118	1
	52,522	53,409	50,948
<b>Expenses - Directly Incurred (Note 2(b), Schedules 1 and 5)</b>			
<b>Programs</b>			
Community living supports	27,733	29,147	27,009
Employment supports	2,774	2,501	2,684
Community access supports	10,787	10,580	10,548
Specialized community supports	276	393	290
Supports to delivery systems	10,814	11,397	10,287
Board governance	138	102	169
	52,522	54,120	50,987
Valuation adjustments (Schedule 1)	8	(1)	8
	52,530	54,119	50,995
<b>Net operating results</b>	\$ (8)	\$ (710)	\$ (47)

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
SOUTH REGION COMMUNITY BOARD**

**Statement of Financial Position**

As at March 31, 2006  
(thousands of dollars)

	2006	2005
<b>Assets</b>		
Cash	\$ 1,152	\$ 2,001
Accounts receivable (Note 3)	4	22
	<u>\$ 1,156</u>	<u>\$ 2,023</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 2,011	\$ 2,168
<b>Net Assets</b>		
Net assets (liabilities) at beginning of year	(145)	(98)
Net operating results	(710)	(47)
	<u>(855)</u>	<u>(145)</u>
Net assets (liabilities) at end of year	<u>\$ 1,156</u>	<u>\$ 2,023</u>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
SOUTH REGION COMMUNITY BOARD**

**Statement of Cash Flows**

Year ended March 31, 2006  
(thousands of dollars)

	2006	2005
Operating transactions		
Net operating results	\$ (710)	\$ (47)
Non-cash items included in net operating results		
Valuation adjustments	(1)	8
	(711)	(39)
Decrease (increase) in accounts receivable	18	(9)
(Decrease) increase in accounts payable and accrued liabilities before valuation adjustments	(156)	853
Cash (applied to) provided by operating transactions	(849)	805
Cash, Beginning of Year	2,001	1,196
Cash, End of Year	\$ 1,152	\$ 2,001

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

# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006

(thousands of dollars)

### NOTE 1 AUTHORITY AND PURPOSE

The Persons with Developmental Disabilities South Region Community Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000*.

The Board reports to the Ministry of Seniors and Community Supports through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government.

#### (a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Seniors and Community Supports (the Ministry), and for which the Minister of Seniors and Community Supports (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting.

##### *Internal Government Transfers*

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Expenses

##### *Directly Incurred*

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the Government's budget documents. Directly incurred expenses also include:

- 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;
- costs of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Seniors and Community Supports. The cost of their salaries, wages and benefits are included in manpower expense; and
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

##### *Description of Program Expenses Reported on the Statement of Operations*

Community living supports - expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment supports - expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community access supports - expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized community supports - expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.

Supports to delivery systems - expenses incurred to provide administrative and financial support for program delivery.

Board governance - expenses incurred in support of Board related activities.

##### *Incurred by Others*

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5.



# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

#### (b) Basis of Financial Reporting (continued)

##### Assets

Financial assets of the Board include cash and financial claims, such as receivables from other organizations.

Tangible capital assets of the Board are recorded at historical cost and amortization on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100 and the threshold for all other tangible capital assets is \$5.

##### Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

##### Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the carrying value of assets held by the Board and its liabilities.

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
SOUTH REGION COMMUNITY BOARD**

**Notes to the Financial Statements**

Year ended March 31, 2006  
(thousands of dollars)

**NOTE 3 ACCOUNTS RECEIVABLE**

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
GST receivable	\$ 1	\$ -	\$ 1	\$ 2
Child & Family Services Authority	-	-	-	14
Blood Tribe Child Protection Services Corporation	-	-	-	4
Chinook Health Region	3	-	3	1
PDD Provincial Board	-	-	-	1
	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 4</b>	<b>\$ 22</b>

Accounts receivable are unsecured and non-interest bearing.

**NOTE 4 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2006	2005
Accrued grants to individuals	\$ 910	\$ 1,062
Employees accrued vacation pay and manpower costs	168	207
Accrued supplies and services	933	899
	<b>\$ 2,011</b>	<b>\$ 2,168</b>

**NOTE 5 VOLUNTARY CONTRIBUTIONS**

These financial statements do not include amounts relating to voluntary contributions received for materials and services because of the difficulty in determining their fair market value.

# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

### NOTE 6 CONTRACTUAL OBLIGATIONS

As at March 31, 2006, the Board has the following contractual obligations:

	2006	2005
Long-term Leases <sup>(a)</sup>	\$ 37	\$ 34

<sup>(a)</sup> The Board leases certain equipment under operating leases that expire on various dates.

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	2006	2005
2006	\$ -	\$ 9
2007	16	8
2008	12	8
2009	8	8
2010	1	1
	\$ 37	\$ 34

The Board contracts on an ongoing basis with service operators to provide services to adults with developmental disabilities in the region. The Board has contracted for services in the year ending March 31, 2007 similar to those provided in 2006.

## PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

### Notes to the Financial Statements

Year ended March 31, 2006  
(thousands of dollars)

#### NOTE 7 GRANDFATHERED CLIENTS

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies were receiving services prior to the passing of the Act but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the Act.

The total cost of these services for 10 individuals that has been included in the Statement of Operations is estimated to be \$375 (2005 - 13 clients totalling \$320).

#### NOTE 8 SUBSEQUENT EVENTS

Bill 30, the Persons with Developmental Disabilities (PDD) Community Governance Amendment Act, 2006 received Royal Assent on May 24, 2006. The bill transfers the functions of the existing PDD Provincial Board to the Department of Seniors and Community Supports, while creating direct reporting lines between the Minister and the six Community Boards.

#### NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were prepared by management and approved by the Board.

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
SOUTH REGION COMMUNITY BOARD**

**Expenses - Directly Incurred Detailed by Object**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 1**

	2006		2005
	Budget	Actual	Actual
Manpower	\$ 1,469	\$ 1,412	\$ 1,324
Supplies and services	38,195	44,937	37,123
Grants	12,858	7,771	12,540
	52,522	54,120	50,987
Valuation adjustments	8	(1)	8
	\$ 52,530	\$ 54,119	\$ 50,995

# PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

## Budget

Year ended March 31, 2006  
(thousands of dollars)

### SCHEDULE 2

	2005-2006 Budget	Reallocation From Provincial Board <sup>(a)</sup>	Adjustment <sup>(b)</sup>	2005-2006 Final Budget
Revenue				
Transfer from Persons with Developmental Disabilities Provincial Board	\$ 52,522	\$ (438)	\$ 1,207	\$ 53,291
Expenses - Directly Incurred				
Community living supports	27,733	(314)	805	28,224
Employment supports	2,774	(25)	402	3,151
Community access supports	10,787	(101)	-	10,686
Specialized community supports	276	(3)	-	273
Supports to delivery systems	10,814	6	-	10,820
Board governance	138	(1)	-	137
	52,522	(438)	1,207	53,291
Valuation adjustments	8	-	-	8
Net operating results	\$ (8)	\$ -	\$ -	\$ (8)

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on July 14, 2005.

<sup>(b)</sup> Increased funding for higher salary costs for contracted agencies per Supplementary Estimates approved on March 16, 2006

## PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

### Salary and Benefits Disclosure

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 3

	2006				2005
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 19	\$ -	\$ 19	\$ 25
Board Members <sup>(e)</sup>	-	51	-	51	74
Chief Executive Officer <sup>(f)</sup>	130	13	6	149	139
Manager, Community Resources <sup>(g)</sup>	79	5	18	102	95
Manager, Finance <sup>(g)</sup>	66	4	17	87	81

(a) Base salary includes pensionable base pay.

(b) Other cash benefits include bonuses, vacation payouts, overtime, lump sum payments and honoraria.

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

(d) These amounts represent honoraria payments made to the Chair of the Board.

(e) There are 8 board member positions. These amounts represent honoraria payments made to the board members during the year.

(f) These payments are made to the Chief Executive Officer under contract with the Department of Seniors and Community Supports. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Seniors and Community Supports.

(g) Managers are assigned to the Board from the Department of Seniors and Community Supports and are not employees of the Board.

## PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management and the Board.

The Board and the employees seconded to it from the Department of Seniors and Community Supports paid or collected certain taxes and fees set by regulation for permits, 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 Board had the following transactions with related parties recorded 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	
	2006	2005	2006	2005
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 53,291	\$ 50,947	\$ -	\$ -
Expenses - Directly Incurred				
Department of Restructuring and Government Efficiency	\$ -	\$ -	\$ 84	\$ 93
Health Authorities	-	-	5,100	5,030
Advanced Education	-	-	109	145
Executive Council	-	-	-	16
	\$ -	\$ -	\$ 5,293	\$ 5,284

As at March 31, 2006, accounts payable of the Board includes amounts owing of \$17 (2005 - \$27) to the Department of Restructuring and Government Efficiency, \$14 (2005 - \$0) to Alberta Children's Services, \$2 (2005 - \$0) to Advanced Education, and \$112 (2005 - \$0) to Provincial Health Authorities.

As at March 31, 2006 accounts receivable of the Board include amounts owing of \$0 (2005 - \$14) from Southwest Alberta Child and Family Services Authority, \$0 (2005 - \$1) from the PDD Provincial Board, and \$2 (2005 - \$1) from Regional Health Authorities.



## PERSONS WITH DEVELOPMENTAL DISABILITIES SOUTH REGION COMMUNITY BOARD

### Related Party Transactions

Year ended March 31, 2006

(thousands of dollars)

#### SCHEDULE 4 (continued)

The Board 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 recorded in the financial statements but are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by others				
Department of Infrastructure and Transportation	\$ -	\$ -	\$ 167	\$ 187
Department of Justice and Attorney General	-	-	1	3
Executive Council	-	-	44	-
	\$ -	\$ -	\$ 212	\$ 190

**PERSONS WITH DEVELOPMENTAL DISABILITIES  
SOUTH REGION COMMUNITY BOARD**

**Allocated Costs**

Year ended March 31, 2006  
(thousands of dollars)

**SCHEDULE 5**

Program	2006						2005
	Expenses <sup>(a)</sup>	Expenses - Incurred by Others			Valuation Adjustments		Total Expenses
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(c)</sup>	Provision for Vacation Pay <sup>(d)</sup>	Total Expenses	
Community living supports	\$ 29,147	\$ 78	\$ -	\$ -	\$ -	\$ 29,225	\$ 27,091
Employment supports	2,501	-	-	-	-	2,501	2,684
Community access supports	10,580	-	-	-	-	10,580	10,548
Specialized community supports	393	-	-	-	-	393	290
Supports to delivery systems	11,397	89	1	44	(1)	11,530	10,403
Board governance	102	-	-	-	-	102	169
	\$ 54,120	\$ 167	\$ 1	\$ 44	\$ (1)	\$ 54,331	\$ 51,185

(a) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.

(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 4.

(c) Costs shown for Legal Services and Other Services per Schedule 4.

(d) Provision for Vacation Pay has been allocated based on the actual provision relating to each program by employee.

## ALPHABETICAL LIST OF ENTITIES' FINANCIAL STATEMENTS IN MINISTRY 2005-06 ANNUAL REPORTS

### ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

#### Ministry, Department, Fund or Agency

Access to the Future Fund<sup>1</sup>  
 Agriculture Financial Services Corporation  
 Alberta Alcohol and Drug Abuse Commission  
 Alberta Capital Finance Authority  
 Alberta Energy and Utilities Board  
 Alberta Foundation for the Arts  
 Alberta Gaming and Liquor Commission  
 Alberta Heritage Foundation for Medical Research Endowment Fund  
 Alberta Heritage Savings Trust Fund  
 Alberta Heritage Scholarship Fund  
 Alberta Heritage Science and Engineering Research Endowment Fund  
 Alberta Historical Resources Foundation  
 Alberta Insurance Council  
 Alberta Local Authorities Pension Plan Corporation<sup>2</sup>  
 Alberta Pensions Administration Corporation  
 Alberta Petroleum Marketing Commission  
 Alberta Research Council Inc.  
 Alberta Risk Management Fund  
 Alberta School Foundation Fund  
 Alberta Science and Research Authority  
 Alberta Securities Commission  
 Alberta Social Housing Corporation  
 Alberta Sport, Recreation, Parks and Wildlife Foundation  
 Alberta Treasury Branches  
 ATB Investment Management Inc.  
 ATB Investment Services Inc.  
 ATB Services Inc.  
 Child and Family Services Authorities:  
   Calgary and Area Child and Family Services Authority  
   Central Alberta Child and Family Services Authority  
   East Central Alberta Child and Family Services Authority  
   Edmonton and Area Child and Family Services Authority  
   North Central Alberta Child and Family Services Authority  
   Northeast Alberta Child and Family Services Authority  
   Northwest Alberta Child and Family Services Authority  
   Southeast Alberta Child and Family Services Authority  
   Southwest Alberta Child and Family Services Authority  
   Métis Settlements Child and Family Services Authority  
 Credit Union Deposit Guarantee Corporation  
 Department of Agriculture, Food and Rural Development  
 Department of Advanced Education  
 Department of Children's Services

#### Ministry Annual Report

Advanced Education  
 Agriculture, Food and Rural Development  
 Health and Wellness  
 Finance  
 Energy  
 Community Development  
 Gaming  
 Finance  
 Finance  
 Finance  
 Finance  
 Community Development  
 Finance  
 Finance  
 Finance  
 Energy  
 Innovation and Science  
 Finance  
 Education  
 Innovation and Science  
 Finance  
 Seniors and Community Supports  
 Community Development  
 Finance  
 Finance  
 Finance  
 Finance  
 Children's Services  
 Finance  
 Agriculture, Food and Rural Development  
 Advanced Education  
 Children's Services

<sup>1</sup> Established July 10, 2005.

<sup>2</sup> Incorporated December 16, 2005.

## ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

### Ministry, Department, Fund or Agency

Department of Community Development  
 Department of Education  
 Department of Energy  
 Department of Finance  
 Department of Gaming  
 Department of Health and Wellness  
 Department of Innovation and Science  
 Department of Seniors and Community Supports  
 Department of Solicitor General and Public Security  
 Department of Sustainable Resource Development  
 Environmental Protection and Enhancement Fund  
 Gainers Inc.  
 Government House Foundation  
 Historic Resources Fund  
 Human Rights, Citizenship and Multiculturalism Education Fund  
 iCORE Inc.  
 Lottery Fund  
 Ministry of Aboriginal Affairs and Northern Development<sup>3</sup>  
 Ministry of Advanced Education  
 Ministry of Agriculture, Food and Rural Development  
 Ministry of Children's Services  
 Ministry of Community Development  
 Ministry of Economic Development<sup>3</sup>  
 Ministry of Education  
 Ministry of Energy  
 Ministry of Environment<sup>3</sup>  
 Ministry of Executive Council<sup>3</sup>  
 Ministry of Finance  
 Ministry of Gaming  
 Ministry of Government Services<sup>3</sup>  
 Ministry of Health and Wellness  
 Ministry of Human Resources and Employment<sup>3</sup>  
 Ministry of Infrastructure and Transportation<sup>3</sup>  
 Ministry of Innovation and Science  
 Ministry of International and Intergovernmental Relations<sup>3</sup>  
 Ministry of Justice<sup>3</sup>  
 Ministry of Municipal Affairs<sup>3</sup>  
 Ministry of Restructuring and Government Efficiency<sup>3</sup>  
 Ministry of Seniors and Community Supports  
 Ministry of Solicitor General and Public Security  
 Ministry of Sustainable Resource Development  
 N.A. Properties (1994) Ltd.  
 Natural Resources Conservation Board

### Ministry Annual Report

Community Development  
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 Innovation and Science  
 Seniors and Community Supports  
 Solicitor General and Public Security  
 Sustainable Resource Development  
 Sustainable Resource Development  
 Finance  
 Community Development  
 Community Development  
 Community Development  
 Innovation and Science  
 Gaming  
 Aboriginal Affairs and Northern Development  
 Advanced Education  
 Agriculture, Food and Rural Development  
 Children's Services  
 Community Development  
 Economic Development  
 Education  
 Energy  
 Environment  
 Executive Council  
 Finance  
 Gaming  
 Government Services  
 Health and Wellness  
 Human Resources and Employment  
 Infrastructure and Transportation  
 Innovation and Science  
 International and Intergovernmental Relations  
 Justice  
 Municipal Affairs  
 Restructuring and Government Efficiency  
 Seniors and Community Supports  
 Solicitor General and Public Security  
 Sustainable Resource Development  
 Finance  
 Sustainable Resource Development

<sup>3</sup> Ministry includes only the departments so separate departmental financial statements are not necessary.

## ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

### Ministry, Department, Fund or Agency

Persons with Developmental Disabilities Community Boards:

- Calgary Region Community Board
- Central Region Community Board
- Edmonton Region Community Board
- Northeast Region Community Board
- Northwest Region Community Board
- South Region Community Board

Persons with Developmental Disabilities Provincial Board  
 Provincial Judges and Masters in Chambers Reserve Fund  
 Safety Codes Council  
 Supplementary Retirement Plan Reserve Fund  
 Victims of Crime Fund  
 Wild Rose Foundation

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Seniors and Community Supports

Seniors and Community Supports  
 Finance  
 Municipal Affairs  
 Finance  
 Solicitor General and Public Security  
 Community Development

## ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

### Fund or Agency

Alberta Foundation for Health Research  
 Alberta Heritage Foundation for Medical Research  
 Alberta Heritage Foundation for Science and Engineering Research  
 Alberta Teachers' Retirement Fund Board  
 Improvement Districts' Trust Account  
 Local Authorities Pension Plan  
 Long-Term Disability Income Continuance Plan - Bargaining Unit  
 Long-Term Disability Income Continuance Plan - Management,  
 Opted Out and Excluded  
 Management Employees Pension Plan  
 Provincial Judges and Masters in Chambers Pension Plan  
 Provincial Judges and Masters in Chambers (Unregistered) Pension Plan  
 Public Service Management (Closed Membership) Pension Plan  
 Public Service Pension Plan  
 Special Areas Trust Account  
 Special Forces Pension Plan  
 Supplementary Retirement Plan for Public Service Managers  
 Workers' Compensation Board

### Ministry Annual Report

Innovation and Science  
 Innovation and Science  
 Innovation and Science  
 Education  
 Municipal Affairs  
 Finance  
 Human Resources and Employment  
 Human Resources and Employment  
  
 Finance  
 Finance  
 Finance  
 Finance  
 Finance  
 Municipal Affairs  
 Finance  
 Finance  
 Human Resources and Employment





**SCHOOLS, UNIVERSITIES, COLLEGES AND HOSPITALS  
INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY  
ON A MODIFIED EQUITY BASIS<sup>4</sup>**

**Colleges**

Alberta College of Art and Design  
Bow Valley College  
Grande Prairie Regional College  
Grant MacEwan College  
Keyano College  
Lakeland College  
Lethbridge Community College  
Medicine Hat College  
Mount Royal College  
NorQuest College  
Northern Lakes College  
Olds College  
Portage College  
Red Deer College

**Ministry Annual Report**

Advanced Education  
Advanced Education  
Advanced Education  
Advanced Education  
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Advanced Education  
Advanced Education  
Advanced Education

**Technical Institutes and The Banff Centre**

Northern Alberta Institute of Technology  
Southern Alberta Institute of Technology  
The Banff Centre for Continuing Education

Advanced Education  
Advanced Education  
Advanced Education

**Regional Health Authorities  
and Other Health Institutions**

Alberta Cancer Board  
Alberta Mental Health Board  
Aspen Regional Health Authority  
Calgary Health Region  
Capital Health  
Chinook Regional Health Authority  
David Thompson Regional Health Authority  
East Central Health  
Northern Lights Regional Health Authority  
Peace Country Health  
Palliser Health Region

Health and Wellness  
Health and Wellness  
Health and Wellness  
Health and Wellness  
Health and Wellness  
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Health and Wellness  
Health and Wellness

<sup>4</sup>The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.







For more information about Alberta Seniors and Community Supports, or to obtain copies of this annual report please contact:

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