

Persons with Developmental Disabilities Central Alberta Community Board

Financial Statements

March 31, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES

CENTRAL ALBERTA COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2002

Auditor's Report

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AUDITOR'S REPORT

To the Members of the Board of Directors of the Persons with Developmental Disabilities
Central Alberta Community Board

I have audited the statement of financial position of the Persons with Developmental Disabilities Central Alberta Community Board as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. 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 Alberta Community Board as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 10, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

Original Signed By Fred Dunn, CA
Auditor General

Edmonton, Alberta
May 1, 2002

**Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Operations
For the year ended March 31, 2002
(in thousands)**

	2002		2001
	Budget	Actual	Actual
			(As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 55,513	\$ 55,720	\$ 50,351
Previous Year's Refund of Expenditures	-	101	141
	<u>55,513</u>	<u>55,821</u>	<u>50,492</u>
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	35,440	36,310	32,358
Employment Supports	3,113	2,838	2,702
Community Access Supports	8,491	8,004	7,135
Specialized Community Supports	142	165	117
Supports to Delivery System	8,220	8,214	6,634
Board Governance	107	139	119
	<u>55,513</u>	<u>55,670</u>	<u>49,065</u>
Valuation Adjustment			
Provision for Vacation Pay	-	20	64
	<u>55,513</u>	<u>55,690</u>	<u>49,129</u>
Net Operating Results Before Transfer	<u>-</u>	<u>131</u>	<u>1,363</u>
Transfer to Persons With Developmental Disabilities Provincial Board	-	-	(141)
Net Operating Results	<u>\$ -</u>	<u>\$ 131</u>	<u>\$ 1,222</u>

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

**Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Financial Position
As at March 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 3,368	\$ 3,269
Accounts Receivable (Note 4)	30	2
	<u>\$ 3,398</u>	<u>\$ 3,271</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 2,238	\$ 2,242
	<u>2,238</u>	<u>2,242</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	1,029	(193)
Net Operating Results	131	1,222
	<u>1,160</u>	<u>1,029</u>
Net Assets, End of Year	<u>\$ 3,398</u>	<u>\$ 3,271</u>

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

**Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - note 3)
Operating Transactions		
Net Operating Results	\$ 131	\$ 1,222
(Increase) Decrease in Accounts Receivable	(28)	3,401
(Decrease) Increase in Accounts Payable and Accrued Liabilities (a)	(4)	57
Net Cash Provided by Operating Transactions	<u>99</u>	<u>4,680</u>
Cash, Beginning of Year	<u>3,269</u>	<u>(1,411)</u>
Cash, End of Year	<u>\$ 3,368</u>	<u>\$ 3,269</u>

(a) Adjusted for valuation adjustment.

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

Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Central Alberta 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*.

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

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Community Development and for which the Minister of Community Development 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.

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

**Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 2 Summary of Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting

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 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.

The cost of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Community Development are included in Manpower Expense. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 4.

Fees related to the audit of the March 31, 2002 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$25 (2001 - \$18).

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$5.

Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represent the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting

In the prior years, vacation liability of employees assigned to the board was recorded as a liability in the financial statements of the Department of Community Development. In the current year this liability was transferred to the Board. This change has been applied retroactively. The effect of this change is to increase accrued liabilities by \$20 (2001 - \$64).

Note 4 Accounts Receivable

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 30	\$ -	\$ 30	\$ 2

The current balance represents a receivable from a service provider of \$28, and a GST receivable from the Federal Government of \$2. (2001 balance was a GST receivable from the Federal Government of \$2.)

Accounts receivable are unsecured and non-interest bearing.

Note 5 Accounts Payable and Accrued Liabilities

	2002	2001
Accounts Payable and Accrued Liabilities	\$ 2,238	\$ 2,242

The current balance represents accruals for Manpower \$300, Supplies and Services \$154, Grants \$1,784. (2001 Manpower \$272, Supplies and Services \$386, and Grants \$1,584).

Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)

Note 6 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 book values.

Note 7 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

Note 8 Commitments

As at March 31, 2002, the Board has the following commitments:

	<u>2002</u>	<u>2001</u>
Service contracts (a)	\$ 2,581	\$ 2,655
Long-term leases (b)	<u>70</u>	<u>34</u>
	<u>\$ 2,651</u>	<u>\$ 2,689</u>

- (a) The actual amounts are dependent on the usage of service.
- (b) The Board leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2003	\$ 36
2004	26
2005	8
	<u>\$ 70</u>

Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)

Note 9 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals which it serves. Occasionally, the Agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the Agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits;
- to acquire assets;
- to fund exceptional maintenance costs;
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

The estimated balance of these reserves at March 31, 2002 was \$0 (March 31, 2001 - \$381). This amount is not reflected in these financial statements.

Note 10 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 who were receiving services prior to the passing of the Act but who no longer met these new criteria for Persons with Developmental 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 until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to the care of these individuals do not comply with the Act. The total cost of these services for 6 individuals (2001 – 7) that has been included in the Statement of Operations is estimated to be \$242 (2001 - \$277).

Note 11 Comparative Figures

Certain 2001 figures have been restated to conform to the 2002 presentation.

Note 12 Approval of Financial Statements

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

**Persons with Developmental Disabilities
 Central Alberta Community Board
 Expenses Detailed by Object
 For the year ended March 31, 2002
 (in thousands)**

Schedule 1

	2002		2001
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			(As restated - Note 3)
Manpower Costs (a)	\$ 2,195	\$ 2,042	\$ 1,688
Supplies and Services	35,471	37,625	33,033
Grants	<u>17,847</u>	<u>16,023</u>	<u>14,408</u>
Total Expenses	<u>\$ 55,513</u>	<u>\$ 55,690</u>	<u>\$ 49,129</u>

(a) Manpower costs relate to employees seconded to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities
Central Alberta Community Board
Budget
For the year ended March 31, 2002
(in thousands)**

Schedule 2

	2001 - 2002 Original Budget	Increases From Provincial Board	2001 - 2002 Current Allocation
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 55,513	\$ 207	\$ 55,720
Expenses			
Community Living Supports	35,440	142	35,582
Employment Supports	3,113	13	3,126
Community Access Supports	8,491	34	8,525
Specialized Community Supports	142	1	143
Supports to Delivery System	8,220	17	8,237
Board Governance	107	-	107
	55,513	207	55,720
Net Operating Results	\$ -	\$ -	\$ -

An interim budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on May 31, 2001. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Central Alberta Community Board on October 11, 2001 and January 10, 2002. The 2001 - 2002 Current Allocation final result also includes a year-end transfer of Alberta Corporate Service Centre expenditures, as approved by the Provincial Board CEO on April 4, 2002.

**Persons with Developmental Disabilities
 Central Alberta Community Board
 Disclosure of Payments to Executives
 For the year ended March 31, 2002
 (in thousands)**

Schedule 3

	2002			2001
	Salary / Honoraria	Benefits / Allowances	Total	Total
Chair of the Board (a)	\$ 31	\$ -	\$ 31	\$ 24
Board Members (a) (c)	\$ 67	\$ -	\$ 67	\$ 59
Chief Executive Officer (b)	\$ 95	\$ 19	\$ 114	\$ 101

- a. These amounts represent honoraria payments made to the Chair and Members of the Board.
- b. These payments are made to the Chief Executive Officer under contract with the Department of Community Development. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Community Development.

Benefits/Allowances include payments for pension, health care, dental and medical coverage, group life insurance and long and short term disability plans.

- c. These positions were occupied by 7 individuals during the year.

**Persons with Developmental Disabilities
Central Alberta Community Board
Allocated Costs**

Schedule 4

**For the year ended March 31, 2002
(in thousands)**

Program	2002				2001	
	Expenses (1)	Accommodation Costs (2)	Legal Costs (3)	Vacation Pay	Total Expenses	Total Expenses
Community Living Supports	\$ 36,310	\$ -	\$ -	\$ -	\$ 36,310	\$ 32,357
Employment Supports	2,838	-	-	-	2,838	2,702
Community Access Supports	8,004	-	-	-	8,004	7,135
Specialized Community Supports	165	-	-	-	165	117
Supports to Delivery System	8,214	121	-	20	8,355	7,851
Board Governance	139	-	-	-	139	119
	<u>\$ 55,670</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 55,811</u>	<u>\$ 50,281</u>

- 1) Expenses - Directly Incurred as per Statement of Operations.
- 2) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5.
- 3) Costs shown for Legal Services per Schedule 5.

**Persons with Developmental Disabilities
Central Alberta Community Board
Schedule of Related Party Transactions
For the year ended March 31, 2002
(in thousands)**

Schedule 5

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 Board.

The Board and the employees assigned to it from the Department of Community Development 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 at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 55,720	\$ 50,351	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 141	\$ -	\$ -
Department of Government Services	-	-	246	-
Department of Infrastructure	-	-	79	7
Department of Finance	-	-	3	-
	<u>\$ -</u>	<u>\$ 141</u>	<u>\$ 328</u>	<u>\$ 7</u>
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ -	\$ -	\$ -
Department of Children's Services	-	-	-	-
Department of Human Resources and Employment	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable and Accrued Liabilities:				
Persons with Developmental Disabilities Provincial 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 and are disclosed in Schedule 4.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Expenses - Incurred by Others				
Department of Community Development	\$ -	\$ 1,019	\$ -	\$ -
Department of Infrastructure	-	-	121	133
	<u>\$ -</u>	<u>\$ 1,019</u>	<u>\$ 121</u>	<u>\$ 133</u>