

# **Persons with Developmental Disabilities Provincial Board**

---

Financial Statements

March 31, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES

PROVINCIAL BOARD

FINANCIAL STATEMENTS

MARCH 31, 2002

- Auditor's Report
- Statement of Operations
- Statement of Financial Position
- Statement of Changes in Financial Position
- Notes to the Financial Statements
- Schedule 1 - Expenses Detailed by Object
- Schedule 2 - Budget
- Schedule 3 - Disclosure of Payments to Executives
- Schedule 4 - Allocated Costs
- Schedule 5 - Related Party Transactions



## AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Provincial 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 Provincial 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.

Original Signed By Fred Dunn, CA  
Auditor General

Edmonton, Alberta  
May 24, 2002

**Persons with Developmental Disabilities  
Provincial Board**

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

	<b>2002</b>		<b>2001</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
			(As restated - Note 3)
<b>Revenue</b>			
Grant from Department of Community Development	\$ 378,280	\$ 374,946	\$ 335,723
Previous Year Refunds	-	8	-
	<u>378,280</u>	<u>374,954</u>	<u>335,723</u>
<b>Expenses - Directly Incurred (Schedule 1 and Note 2b)</b>			
Programs			
Board Governance	2,742	121	100
Unallocated	9,865	-	90
Supports to Delivery System	1,055	3,715	2,459
Shared Service Support Arrangements (Note 3)	4,386	1,664	-
Grant to Persons with Developmental Disabilities Northwest Region Community Board	13,664	13,824	12,400
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	17,930	17,740	16,238
Grant to Edmonton Community Board for Persons with Developmental Disabilities	103,673	106,329	94,555
Grant to Persons with Developmental Disabilities Central Alberta Community Board	55,513	55,720	50,351
Grant to Persons with Developmental Disabilities Calgary Region Community Board	85,970	89,437	78,825
Grant to Persons with Developmental Disabilities South Alberta Board	39,900	41,091	36,279
Grant to Michener Centre Facility Board	43,582	44,986	43,689
	<u>378,280</u>	<u>374,627</u>	<u>334,986</u>
<b>Valuation Adjustments (Note 3)</b>			
Provision for Vacation Pay	-	(3)	85
	<u>378,280</u>	<u>374,624</u>	<u>335,071</u>
<b>Net Operating Results Before Transfers</b>	<u>-</u>	<u>330</u>	<u>652</u>
<b>Transfer From:</b>			
Persons with Developmental Disabilities Northeast Alberta Community Board	-	-	129
Edmonton Community Board for Persons with Developmental Disabilities	-	-	113
Persons with Developmental Disabilities Central Alberta Community Board	-	-	141
Persons with Developmental Disabilities South Alberta Board	-	-	3
	<u>-</u>	<u>-</u>	<u>386</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 330</u>	<u>\$ 1,038</u>

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, 2002 (in thousands)

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
<b>Assets</b>		
Cash	\$ 3,252	\$ 2,253
Accounts Receivable (Note 4)	602	1
Advances	50	-
Capital Assets (Note 7)	200	252
	<u>\$ 4,104</u>	<u>\$ 2,506</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 8)	\$ 1,659	\$ 391
	<u>1,659</u>	<u>391</u>
<b>Net assets</b>		
Net assets at beginning of year	2,115	1,077
Net Operating Results	330	1,038
Net assets at end of year	<u>2,445</u>	<u>2,115</u>
	<u>\$ 4,104</u>	<u>\$ 2,506</u>

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

**Persons with Developmental Disabilities  
Provincial 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)
<b>Operating transactions:</b>		
Net operating results from continuing operations	\$ 330	\$ 1,038
Non cash items included in net operating results		
Amortization	80	-
Valuation adjustments	(3)	85
	<u>407</u>	<u>1,123</u>
Decrease (Increase) in accounts receivable	(601)	30,694
Increase in Advances	(50)	-
Increase (Decrease) in accounts payable (a)	1,271	(29,466)
	<u>1,027</u>	<u>2,351</u>
<b>Investing transactions:</b>		
Purchase of capital assets	(28)	-
	<u>(28)</u>	<u>-</u>
<b>Cash at beginning of year</b>	<u>2,253</u>	<u>(98)</u>
<b>Cash at end of year</b>	<u>\$ 3,252</u>	<u>\$ 2,253</u>

(a) Changes adjusted for valuation adjustments

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

# Persons with Developmental Disabilities Provincial 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 Provincial Board (the Provincial 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*.

The purpose of the Provincial Board is to promote the inclusion of adults with developmental disabilities in community life by developing a plan for the delivery of services to adults with developmental disabilities and overseeing and evaluating the implementation of that plan. The Provincial Board coordinates the activities of the Community and Facility Boards.

## 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 Provincial 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 Provincial Board is economically dependent upon the Department of Community Development for its funding. This funding is allocated in a manner approved by the Minister.

### (b) Basis of Financial Reporting

#### Expenses

##### Directly Incurred

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

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

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

Employees are assigned to the Provincial Board through an arrangement with the Department of Community Development

### Incurring by Others

Services contributed by other entities in support of the Provincial 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 \$29 (2001 - \$26).

### **Assets**

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

Capital assets of the Provincial 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 capital assets is \$5.

### **Liabilities**

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

### **Net Assets**

Net assets represents the difference between the value of assets held by the Provincial Board and its liabilities.

## **Note 3 Change in Accounting**

In the prior years, vacation liability of employees assigned to the Provincial Board and the Provincial Board's capital assets were recorded in the financial statements of the Department of Community Development. In the current year vacation liability and the capital assets were transferred to the Provincial Board. This change has been applied retroactively. The effect of this change is to increase accrued liabilities by \$194 (2001 - \$197) and to record capital assets of \$200 (2001 - \$252).



**Note 4 Accounts Receivable**

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 602	\$ -	\$ 602	\$ 1

The current balance represents amounts receivable from the Facility Board \$520 and other \$82. Accounts receivable are unsecured and non-interest bearing.

**Note 5 Valuation of Financial Assets and Liabilities**

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

The fair values of accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their book values.

**Note 6 Voluntary Contributions**

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

**Note 7 Capital Assets**

		2002			2001
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 yrs	\$ 2,235	\$ 2,035	\$ 200	\$ 252

**Note 8 Accounts Payable and Accrued Liabilities**

	2002	2001
Accounts Payable and Accrued Liabilities	\$ 1,659	\$ 391

The current balance is comprised of accrued liabilities \$1,449 (2001-\$194) primarily relating to shared service arrangements, vacation pay \$194 (2001-\$197) and other miscellaneous payables \$16.

## Note 9 Commitments

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

	2002	2001
Service delivery contracts (a)	<u>\$ 184</u>	<u>\$ 360</u>

(a) The actual amounts are dependent on the usage of service.

## Note 10 Comparative Figures

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

## Note 11 Control of Foundation Assets

The Lieutenant Governor in Council approved the winding up of the Persons with Developmental Disabilities Foundation (O.C.140/2002). After paying costs and liabilities, the remaining fund balances of the Persons with Developmental Disabilities Foundation (Foundation) is to be transferred to the Provincial Board. As of May 22, 2002, none of the assets have been physically transferred to the Provincial Board.

The Provincial Board has controlled the assets of the Foundation since the appointment of the Provincial Board Chief Executive Officer (CEO) as the Acting CEO of the Foundation in June 2001 when the Foundation effectively ceased operations.

The Provincial Board financial statements have been prepared on a non-consolidated basis.

A summary of the Foundation's results is presented below, which would increase the assets, revenues and expenses of the Provincial Board by the stated amounts.

The Foundation's financial position as at March 31, 2002:

Total Assets:	\$3,044
Total Liabilities:	\$nil
Net Assets:	\$3,044

The Operational Results for the year ending March 31, 2002:

Revenues:	\$279
Expenses:	\$25

The Changes in Financial Position for the year ended March 31, 2002:

Operating Activities:	\$265
Investing Activities:	(\$193)

## Note 12 Approval of Financial Statements

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

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

**Schedule 1**

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Manpower Costs (a)(b)	\$ 3,218	\$ 1,915	\$ 947
Supplies and Services (b)	14,689	3,505	1,702
Grants (b)	360,232	369,127	332,337
Amortization of Capital Assets	141	80	-
Total Expenses	<u>\$ 378,280</u>	<u>\$ 374,627</u>	<u>\$ 334,986</u>

- (a) Manpower costs relate to employees assigned to the Provincial Board from the Department of Community Development and are not employees of the Provincial Board.
- (b) Certain manpower and supplies and services costs have been reclassified during the year to grants for the purpose of allocating resources to the Persons with Developmental Disabilities Community and Facility Boards.

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

Schedule 2

	<b>2001 - 2002 Original Budget</b>	<b>Provincial Board Reallocation</b>	<b>2001 - 2002 Current Budget</b>
<b>Revenue</b>			
Grant from Department of Community Development	\$ 378,280	\$ -	\$ 378,280
<b>Expenses</b>			
Board Governance	2,742	(2,642)	100
Unallocated	9,865	(9,865)	-
Supports to Delivery System	1,055	5,843	6,898
Shared Service Arrangements	4,386	(2,231)	2,155
Grant to Persons with Developmental Disabilities Northwest Region Community Board	13,664	160	13,824
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	17,930	(190)	17,740
Grant to Edmonton Community Board for Persons with Developmental Disabilities	103,673	2,656	106,329
Grant to Persons with Developmental Disabilities Central Alberta Community Board	55,513	207	55,720
Grant to Persons with Developmental Disabilities Calgary Region Community Board	85,970	3,467	89,437
Grant to Persons with Developmental Disabilities South Alberta Board	39,900	1,191	41,091
Grant to Michener Centre Facility Board	43,582	1,404	44,986
	<u>378,280</u>	<u>-</u>	<u>378,280</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The 2001/02 Original Budget was reported as part of the Government and Lottery Fund estimates that were approved by the Legislative Assembly of Alberta on May 31, 2001.

# Persons with Developmental Disabilities

## Provincial Board

Schedule 3

### Disclosure of Payments to Executives

For the year ended March 31, 2002

(in thousands)

	2002			2001
	Salary / Honoraria	Benefits and Allowances	Total	Total
Chair of the Board (a)	\$ 21	\$ -	\$ 21	\$ 27
Chief Executive Officer (b)	100	22	122	133
Board Members (a)(c)	46	-	46	43

a. These amounts represent honoraria payments made to the Chair and Members of the Board. The position of Chair was occupied by 2 individuals during the year.

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

c. There are 14 board member positions (7 members at large and 7 community and facility board chairs) that were occupied for varying lengths of time during the year. These payments relate to the 7 members at large and appeal honoraria payments for all board members.

**Persons with Developmental Disabilities  
Provincial Board**

**Allocated Costs**

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

Schedule 4

Program	2002				2001	
	Expenses (1)	Accommodation Costs (2)	Expenses - Incurred by Others Legal Services (3)	Vacation Pay (4)	Total Expenses	Total Expenses
Board Governance	\$ 121	\$ -	\$ -	\$ -	\$ 121	\$ 100
Unallocated	-	-	-	-	-	90
Supports to Delivery Systems	3,715	143	20	(3)	3,875	2,974
Shared Service Arrangements	1,664	-	-	-	1,664	-
Grant to Persons with Developmental Disabilities Northwest Region Community Board	13,824	-	-	-	13,824	12,400
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	17,740	-	-	-	17,740	16,238
Grant to Edmonton Community Board for Persons with Developmental Disabilities	106,329	-	-	-	106,329	94,555
Grant to Persons with Developmental Disabilities Central Alberta Community Board	55,720	-	-	-	55,720	50,351
Grant to Persons with Developmental Disabilities Calgary Region Community Board	89,437	-	-	-	89,437	78,825
Grant to Persons with Developmental Disabilities South Alberta Board	41,091	-	-	-	41,091	36,279
Grant to Michener Centre Facility Board	44,986	-	-	-	44,986	43,689
	<u>\$ 374,627</u>	<u>\$ 143</u>	<u>\$ 20</u>	<u>\$ (3)</u>	<u>\$ 374,787</u>	<u>\$ 335,501</u>

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

2) Costs shown for Accommodation per schedule 5.

3) Costs shown for Legal Services per schedule 5.

4) Provision for vacation pay has been allocated to the applicable program based on actual costs.

**Persons with Development Disabilities  
Provincial 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 Provincial Board.

The Provincial 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 Provincial 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:				
Department of Community Development Persons with Developmental Disabilities Northwest Region Community Board	\$ 374,946	\$ 335,723	\$ -	\$ -
Persons with Developmental Disabilities Northeast Alberta Community Board	-	129	-	-
Edmonton Community Board for Persons with Developmental Disabilities	-	113	-	-
Persons with Developmental Disabilities Central Alberta Community Board	-	141	-	-
Persons with Developmental Disabilities South Alberta Board	-	3	-	-
	<u>\$ 374,946</u>	<u>\$ 336,109</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Persons with Developmental Disabilities Northwest Region Community Board	\$ 13,824	\$ 12,400	\$ -	\$ -
Persons with Developmental Disabilities Northeast Alberta Community Board	17,740	16,238	-	-
Edmonton Community Board for Persons with Developmental Disabilities	106,329	94,555	-	-
Persons with Developmental Disabilities Central Alberta Community Board	55,720	50,351	-	-
Persons with Developmental Disabilities Calgary Region Community Board	89,437	78,825	-	-
Persons with Developmental Disabilities South Alberta Board	41,091	36,279	-	-
Michener Centre Facility Board	44,986	43,689	-	-
Other Services	-	-	1,365	-
	<u>\$ 369,127</u>	<u>\$ 332,337</u>	<u>\$ 1,365</u>	<u>\$ -</u>
Accounts Receivable:				
Michener Centre Facility Board	\$ 520	\$ -	\$ -	\$ -

The Provincial 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	\$ -	\$ 169	\$ -	\$ -
Department of Infrastructure	-	-	143	244
Department of Justice	-	-	20	17
	<u>\$ -</u>	<u>\$ 169</u>	<u>\$ 163</u>	<u>\$ 261</u>

