

Persons with Developmental Disabilities Provincial Board

Financial Statements

March 31, 2003

**Persons with Developmental Disabilities Provincial Board
Financial Statements
March 31, 2003**

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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, 2003 and the statements of operations, changes in net assets 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, 2003 and the results of its operations and changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
May 16, 2003

Original Signed by Fred J. Dunn, FCA
Auditor General

Persons with Developmental Disabilities Provincial Board
Statement of Operations
For the year ended March 31, 2003
(thousands of dollars)

	2003		2002
	Budget (Schedule 2)	Actual	Actual
Revenues			
Grant from Department of Community Development	\$ 404,897	\$ 404,227	\$ 375,035
Previous Year's Refunds	500	82	8
Interest Income	-	180	190
	<u>405,397</u>	<u>404,489</u>	<u>375,233</u>
Expenses – Directly Incurred (Note 2b and Schedule 1)			
Programs			
Board Governance	140	159	121
Supports to Delivery Systems	21,313	5,577	3,740
Shared Services Support Arrangements	-	-	1,664
Grants to Persons with Developmental Disabilities Community Boards			
Grants to Persons with Developmental Disabilities – Northwest Region Community Board	14,278	15,048	13,824
Grants to Persons with Developmental Disabilities – Northeast Alberta Community Board	18,340	19,399	17,740
Grants to Edmonton Community Board for Persons With Developmental Disabilities	111,093	116,105	106,329
Grants to Persons with Developmental Disabilities – Central Alberta Community Board	104,513	107,108	100,706
Grants to Persons with Developmental Disabilities – Calgary Region Community Board	93,421	96,663	89,437
Grants to Persons with Developmental Disabilities – South Alberta Board	42,921	44,456	41,091
	<u>406,019</u>	<u>404,515</u>	<u>374,652</u>
Valuation Adjustments			
Provision for Vacation Pay	-	173	(3)
	<u>406,019</u>	<u>404,688</u>	<u>374,649</u>
Net Operating Results	<u>\$ (622)</u>	<u>\$ (199)</u>	<u>\$ 584</u>

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

Persons with Developmental Disabilities Provincial Board
Statement of Net Assets
As at March 31, 2003
(thousands of dollars)

	2003			2002		
	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Net Assets, Opening Balance	\$ 2,502	\$ 2,987	\$ 5,489	\$ 2,502	\$ 2,403	\$ 4,905
Operating Income	-	(199)	(199)	-	584	584
Net Assets, Closing Balance	<u>\$ 2,502</u>	<u>\$ 2,788</u>	<u>\$ 5,290</u>	<u>\$ 2,502</u>	<u>\$ 2,987</u>	<u>\$ 5,489</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, 2003
(thousands of dollars)

	2003	2002
Assets		
Cash and Short Term Investments	\$ 3,337	\$ 3,553
Accounts Receivable (Note 3)	39	642
Advances	50	50
Capital Assets (Note 7)	135	200
Long Term Investments (Note 8)	2,879	2,703
	\$ 6,440	\$ 7,148
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 1,150	\$ 1,659
	1,150	1,659
Net Assets		
Net Assets at Beginning of Year	5,489	4,905
Net Operating Results	(199)	584
Net Assets at End of Year	5,290	5,489
	\$ 6,440	\$ 7,148

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, 2003
(thousands of dollars)

	2003	2002
Operating Transactions		
Net Operating Results from Continuing Operations	\$ (199)	\$ 584
Non-cash Items Included in Net Operating Results		
Amortization	65	80
Valuation Adjustments	173	(3)
	39	661
Decrease (Increase) in Accounts Receivable	603	(592)
Decrease (Increase) in Prepaid Expenses	-	3
Increase in Advances	-	(50)
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(682)	1,270
	(40)	1,292
Cash Used by Operating Transactions		
Investing Transactions		
Purchase of Capital Assets	-	(28)
Investment in Bond Fund	(176)	(193)
	(176)	(221)
Cash Used by Investing Transactions		
Cash Provided (Used) by Operating and Investing Transactions	(216)	1,071
Cash at Beginning of Year	3,553	2,482
Cash at End of Year	\$ 3,337	\$ 3,553

^(a) Adjusted for valuation adjustment.

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, 2003

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*.

The Board reports to the Ministry of Community Development. 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 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 Board has primary responsibility and accountability for, as reflected in the government's budget documents. Directly incurred expenses include:

- Amortization of capital assets;
- Valuation Adjustments 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; and

Persons with Developmental Disabilities Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2003

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Directly Incurred (continued)

- 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.

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

Description of Program Expenses Reported on the Statement of Operations

Supports to Delivery System – 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 and the amounts are not reported in the Statement of Operations.

Fees related to the audit of the March 31, 2003 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$33,000 (2002 – \$29,000).

Assets

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

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 \$100,000 and the threshold for all other capital assets is \$5,000.

Persons with Developmental Disabilities Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2003

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

(b) Basis of Financial Reporting (continued)

Liabilities

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

Net Assets (Liabilities)

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

Note 3 Accounts Receivable (thousands of dollars)

	2003		2002	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Investment Income	\$ 39	\$ -	\$ 39	\$ 642
	\$ 39	\$ -	\$ 39	\$ 642

Accounts receivable are unsecured and non-interest bearing.

Note 4 Accounts Payable and Accrued Liabilities (thousands of dollars)

	2003	2002
Employee Accrued Vacation Pay and Manpower Costs	\$ 485	\$ 194
Accrued Supplies and Services	665	1,465
	\$ 1,150	\$ 1,659

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.

Persons with Developmental Disabilities Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2003

Note 7 Capital Assets (thousands of dollars)

		2003		2002	
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 years	\$ 2,235	\$ 2,100	\$ 135	\$ 200

Note 8 Long Term Investments (thousands of dollars)

	2003 Cost	2002 Cost
Bond Fund		
Restricted	\$ 2,502	\$ 2,502
Unrestricted	377	201
	<u>\$ 2,879</u>	<u>\$ 2,703</u>

The market value at March 31, 2003 is \$2,992 (2002 – \$2,738).

Contributions to the fund have been externally restricted, the income from which is unrestricted.

Note 9 Commitments (thousands of dollars)

As at March 31, 2003, the Board has the following commitments:

	2003	2002
Service Contracts ^(a)	\$ -	\$ 184
	<u>\$ -</u>	<u>\$ 184</u>

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

Note 10 Comparative Figures

Certain 2002 figures have been reclassified to conform to the 2003 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
For the year ended March 31, 2003
(thousands of dollars)

	2003		2002
	Budget	Actual	Actual
Manpower Costs ^{(a)(b)}	\$ 2,524	\$ 2,085	\$ 1,915
Supplies and Services ^(b)	7,476	3,436	3,530
Grants ^(b)	395,397	398,929	369,127
Amortization of Capital Assets	20	65	80
Financial Transactions and Other	602	-	-
	\$ 406,019	\$ 404,515	\$ 374,652

- (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 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 Boards.

Persons with Developmental Disabilities Provincial Board
Budget
For the year ended March 31, 2003
(thousands of dollars)

	2002-2003 Original Budget	Decreases From Department ^(a)	Provincial Board Reallocation	2002-2003 Current Budget
Revenue				
Grant from Department of Community Development	\$ 404,897	\$ (488)	\$ (182)	\$ 404,227
Prior Year Revenue	500	-	(440)	60
	<u>405,397</u>	<u>(488)</u>	<u>(622)</u>	<u>404,287</u>
Expenses				
Board Governance	140	-	-	140
Support to Delivery System	21,313	(488)	(14,835)	5,990
Grant to PDD Northwest Region Community Board	14,278	-	770	15,048
Grant to PDD Northeast Alberta Community Board	18,340	-	1,059	19,399
Grant to Edmonton Community Board for PDD	111,093	-	5,012	116,105
Grant to PDD Central Alberta Community Board	104,513	-	2,595	107,108
Grant to PDD Calgary Region Community Board	93,421	-	3,242	96,663
Grant to PDD South Alberta Board	42,921	-	1,535	44,456
	<u>406,019</u>	<u>(488)</u>	<u>(622)</u>	<u>404,909</u>
Net Operating Results	<u>\$ (622)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (622)</u>

The 2002/2003 Original Budget was reported as part of the Government and Lottery Fund estimates that were approved by the Legislative Assembly of Alberta on May 14, 2002.

^(a) The reduction in Revenue from Community Development related to amounts that are now considered unrecoverable from the Federal Government for expenditures under the Arrangement for the Funding and Administration of Social Services Agreement between the Government of Canada and the Province of Alberta.

Persons with Developmental Disabilities Provincial Board
Salary and Benefits Disclosure
For the year ended March 31, 2003
(thousands of dollars)

	2003			2002
	Salary / Honoraria	Benefits and Allowances	Total	Total
Chair of the Board ^(a)	\$ 27	\$ -	\$ 27	\$ 21
Chief Executive Officer ^(b)	110	24	134	122
Board Members ^{(a)(c)}	63	-	63	46

^(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 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 (1 vice chair, 7 members-at-large and 6 community board chairs) that were occupied for varying lengths of time during the year. These payments relate to the vice chair, 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, 2003
(thousands of dollars)**

Program	2003					2002	
	Expenses ^(a)	Expenses – Incurred by Others Accommodation Costs ^(b)	Legal Services ^(c)	Vacation Pay ^(d)	Total Expenses	Total Expenses	Total Expenses
Board Governance	\$ 159	\$ -	\$ -	\$ -	\$ 159	\$ -	\$ 121
Support to Delivery Systems	5,577	143	28	173	5,921		3,875
Shared Service Arrangements	-	-	-	-	-	-	1,664
Grants to Persons with Developmental Disabilities Community Boards							
Northwest Region Community Board	15,048	-	-	-	15,048		13,824
Northeast Alberta Community Board	19,399	-	-	-	19,399		17,740
Edmonton Community Board	116,105	-	-	-	116,105		106,329
Central Alberta Community Board	107,108	-	-	-	107,108		100,706
Calgary Region Community Board	96,663	-	-	-	96,663		89,437
South Alberta Board	44,456	-	-	-	44,456		41,091
	\$ 404,515	\$ 143	\$ 28	\$ 173	\$ 404,859	\$ -	\$ 374,787

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

(b) Costs shown for Accommodation per Schedule 5.

(c) Costs shown for Legal Services per Schedule 5.

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

Persons with Developmental Disabilities Provincial Board
Related Party Transactions
For the year ended March 31, 2003
(thousands of dollars)

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 and the 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:

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
Revenues				
Department of Community Development	\$ 404,227	\$ 375,035	\$ -	\$ -
Expenses				
Grants to Persons with Developmental Disabilities Northwest Region Community Board	\$ 15,048	\$ 13,824	\$ -	\$ -
Grants to Persons with Developmental Disabilities Northeast Alberta Community Board	19,399	17,740	-	-
Grants to Edmonton Community Board for Persons With Developmental Disabilities	116,105	106,329	-	-
Grants to Persons with Developmental Disabilities Central Alberta Community Board	107,108	100,706	-	-
Grants to Persons with Developmental Disabilities Calgary Region Community Board	96,663	89,437	-	-
Grants to Persons with Developmental Disabilities South Alberta Board	44,456	41,091	-	-
Other Services	-	-	1,676	1,365
	<u>\$ 398,779</u>	<u>\$ 369,127</u>	<u>\$ 1,676</u>	<u>\$ 1,365</u>
Accounts Receivable				
Central Alberta Community 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.

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
Expenses – Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 143	\$ 143
Department of Justice	-	-	28	20
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171</u>	<u>\$ 163</u>