

FINANCIAL INFORMATION

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Ministry of Community Development

Consolidated Financial Statements

March 31, 2002

**MINISTRY OF COMMUNITY DEVELOPMENT
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002**

Auditor's Report

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AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Community Development as at March 31, 2002 and the consolidated statements of operations and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the Ministry. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

Described in the following paragraphs are exceptions from Canadian generally accepted accounting principles. In aggregate, these matters result in an overstatement of liabilities of \$102,000, and an understatement of revenues, expenses, assets, and net assets of \$3,891,000, \$2,192,000, \$5,028,000 and \$5,130,000 respectively in the accompanying financial statements.

The Ministry is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are exceptions from Canadian generally accepted accounting principles:

Excluded operations

The Ministry operates some of its cultural facilities with the assistance of volunteer societies. These volunteer societies collect government revenues, incur expenses and retain the surpluses for operating and improving the facilities. These Ministry revenues, expenses and surpluses have not been reported in these financial statements. We estimate that the omission of the amounts has resulted in revenues, expenses and net assets at March 31, 2002 being understated by approximately \$3,891,000, \$2,161,000 and \$3,106,000 respectively.

For the year ended March 31, 2002, the Ministry operated all of its historical facilities with the assistance of volunteer societies. In prior years, when the Ministry operated some of its historical facilities with the assistance of volunteer societies, the revenues, expenses, and surpluses that related exclusively to the operation of these facilities were excluded from the Ministry's financial statements. As of March 31, 2002, accumulated surpluses of \$385,000 have been returned to the Ministry and recorded as deferred contributions rather than net assets. The effect of this departure from Canadian generally accepted accounting principles is to overstate liabilities and understate net assets by \$385,000 at March 31, 2002.

The Ministry has not recorded additional surpluses not returned to the Ministry, which are estimated to be in excess of \$223,000. The effect of this departure from Canadian generally accepted accounting principles is to understate assets and net assets by approximately \$223,000.

Capital assets

The Ministry employs a policy of expensing capital asset purchases under \$15,000 in the year of acquisition. Consequently a significant amount of resources available to the Ministry for future use has been recorded as if it had been consumed. In addition, capital leases have not been recorded as assets and liabilities. It is estimated that at March 31, 2002, assets in the Ministry have been understated by \$1,699,000, liabilities have been understated by \$283,000, net assets have been understated by \$1,416,000 and expenses for the year have been understated by \$31,000.

Related party disclosure

As the Ministry's reporting practices stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities are related parties of the Ministry and a description of the nature of the relationship with these regional health authorities should be included in schedule 5, Related Party Transactions. Also Schedule 5 should disclose the expense for the contract services provided by Chinook Regional Health Authority and Palliser Health Authority amounting to \$1,800,000 and \$2,400,000 respectively.

In my opinion, except for the effect of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2002 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.

I also report that 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*. Accordingly, expenses, estimated at \$5,146,000 related to the care of these individuals, do not comply with the Act.

Original Signed By Fred Dunn, CA
Auditor General

Edmonton, Alberta
May 23, 2002

MINISTRY OF COMMUNITY DEVELOPMENT
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Schedule 4)		
Revenues (Schedule 1 and 2):			
Internal government transfers	\$ 108,544	\$ 100,714	\$ 61,071
Transfers from the Government of Canada	15,356	16,296	18,397
Investment income	1,440	1,382	1,816
Fees, permits and licences	8,918	7,684	6,332
Other revenue	9,762	11,383	8,441
	<u>144,020</u>	<u>137,459</u>	<u>96,057</u>
Expenses - Directly Incurred (Note 2c and Schedules 2, 3 and 6):			
Promoting community development	90,995	80,830	99,241
Protecting human rights and promoting fairness and access	4,550	5,740	4,195
Ensuring inclusion and participation for Albertans with disabilities	383,605	380,056	339,972
Preserving, protecting and presenting Alberta's history and culture	73,931	44,799	64,301
Preserving, protecting and presenting Alberta's provincial parks and protected areas	41,895	39,802	38,982
Ministry support services	6,941	5,811	6,648
	<u>601,917</u>	<u>557,038</u>	<u>553,339</u>
Valuation adjustments:			
Provision for doubtful accounts	-	(5)	(130)
Provision for vacation pay	819	135	692
	<u>819</u>	<u>130</u>	<u>562</u>
Total expenses	<u>602,736</u>	<u>557,168</u>	<u>553,901</u>
(Gain) loss on disposal of capital assets	<u>(2,320)</u>	<u>137</u>	<u>306</u>
Net operating results	<u>\$ (456,396)</u>	<u>\$ (419,846)</u>	<u>\$ (458,150)</u>

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

MINISTRY OF COMMUNITY DEVELOPMENT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002	2001
Assets:		
Cash (Note 4)	\$ 38,337	\$ 33,312
Accounts receivable, prepaid expenses, and inventories (Note 5)	3,499	2,733
Long-term investments (Note 6)	11,170	11,025
Capital assets (Note 7)	208,434	214,480
	\$ 261,440	\$ 261,550
Liabilities:		
Accounts payable and accrued liabilities	\$ 44,694	\$ 47,656
Unearned revenue	2,534	809
	47,228	48,465
Net Assets:		
Net assets, beginning of the year (Note 3)	213,085	182,156
Net operating results	(419,846)	(458,150)
Net transfer from General Revenues	420,973	489,079
Net assets, end of year (Note 9)	214,212	213,085
	\$ 261,440	\$ 261,550

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

MINISTRY OF COMMUNITY DEVELOPMENT
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002	2001
Operating transactions:		
Net operating results	\$ (419,846)	\$ (458,150)
Non-cash items:		
Amortization	10,165	10,685
Valuation adjustments	130	562
(Gain) loss on disposal of capital assets	137	306
Contribution in kind	(71)	(118)
	(409,485)	(446,715)
(Increase) decrease in accounts receivable, prepaid expenses and inventories before valuation adjustments	(761)	5,792
(Decrease) increase in accounts payable and accrued liabilities before valuation adjustments	(3,097)	(15,645)
(Decrease) increase in unearned revenue	1,725	421
	(411,618)	(456,147)
Investing transactions:		
(Increase) decrease in long-term investments	(4)	543
Proceeds from disposal of capital assets	23	46
Capital asset transfers	9	(541)
Purchase of investments	(141)	-
Purchases of capital assets	(4,217)	(3,378)
	(4,330)	(3,330)
Financing transactions:		
Net transfer from General Revenues	420,973	489,081
	420,973	489,081
Net cash provided	5,025	29,604
Cash and short term investments, beginning of year	33,312	3,708
Cash and short term investments, end of year	\$ 38,337	\$ 33,312

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

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 1 Authority and Purpose

The Minister of Community Development (Minister) 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 Community Development (Ministry).

The purpose of the Ministry is to advance the quality of life for Albertans by providing leadership, support and opportunity so they may participate in the social, cultural and economic life of the Province. This is done by:

- promoting community development by designing and delivering programs and services that nurture and support, in partnership with geographic communities and communities of interest, a high quality of life in Alberta;
- protecting human rights and promoting fairness and access by designing and delivering programs and services that increase understanding and awareness of diversity, fostering equality and reducing discrimination so all Albertans have the opportunity to participate in the social, economic and cultural life of the Province;
- ensuring inclusion and participation for Albertans with disabilities by designing and delivering individual-based programs that ensure that Albertans who live with a disability have opportunity to participate in the social, economic and cultural life of the Province;
- preserving, protecting and presenting Alberta's history and culture by designing and delivering programs and services that preserve, protect, present and promote appreciation for Alberta's historical resources and culture, and provide significant educational, scientific and economic benefits; and
- preserving, protecting and presenting Alberta's provincial parks and protected areas by managing and maintaining Alberta's provincial parks and protected areas to preserve the Province's natural heritage and provide opportunities for heritage appreciation, outdoor recreation and heritage tourism.

MINISTRY OF COMMUNITY DEVELOPMENT
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2002

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. 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. 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 Ministry of Community Development. The Government Accountability Act defines a Ministry as including the Department and any Provincial agency and Crown-controlled organization for which the Minister is responsible.

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

<u>Organization</u>	<u>Authority</u>
Department of Community Development	Government Organization Act
Historic Resources Fund	Historical Resources Act
Human Rights, Citizenship and Multiculturalism Education Fund	Human Rights, Citizenship and Multiculturalism Act
Alberta Foundation for the Arts	Alberta Foundation for the Arts Act
The Alberta Historical Resources Foundation	Historical Resources Act
Alberta Sport, Recreation, Parks and Wildlife Foundation	Alberta Sport, Recreation, Parks and Wildlife Foundation Act
The Government House Foundation	Government House Act
The Wild Rose Foundation	Wild Rose Foundation Act
Persons with Developmental Disabilities Foundation	Persons with Developmental Disabilities Foundation Act
Persons with Developmental Disabilities Provincial Board and Community and Facility Boards	Persons with Developmental Disabilities Community Governance Act

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

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

(a) Reporting Entity (continued)

All departments of the Government of Alberta operate within the General Revenue Fund (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. Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

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. Directly incurred expenses include:

- amortization of 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 Ministry's operations are disclosed in Schedule 6.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals, as well as inventories held for resale.

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.

Inventories are valued at the lower of cost and net realizable value.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

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

(c) Basis of Financial Reporting (continued)

Assets (continued)

Assets acquired by right are not included. 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 \$100,000 and the threshold for all other capital assets is between \$5,000 and \$15,000 in accordance with each organization's capitalization policy. All land is capitalized.

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

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

Collections of historic and scientific artifacts, archival holdings, and works of art held by the Ministry are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Contributions of collection items are reported as revenue and expenses at their fair value when fair value can be determined.

Liabilities

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

Net Assets

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

Restricted funds, endowment funds, and general reserves (Note 9) are considered appropriations from net assets and are reported as net assets.

An externally restricted fund accounts for non-government contributions, which can only be used for the purpose specified by the donor.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

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

(c) Basis of Financial Reporting (continued)

Net Assets (continued)

An internally restricted fund accounts for funds restricted by the Ministry Foundations for either matching non-government contributions, which can only be used for an identified purpose, or for retaining an ongoing funding capability.

An endowment fund accounts for contributions received under various agreements with sponsors and matching funds may be provided by Ministry Foundations.

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, pre-paid expenses, inventories, long-term investments, and accounts payable and accrued liabilities are estimated to approximate their book values.

Note 3 Government Restructuring

As a result of government restructuring announced on March 15, 2001, there were the following changes in the responsibilities of the Ministry:

- Some responsibilities of the Ministry were transferred to the newly established Ministry of Seniors.
- Some responsibilities from the Ministry of Environment and Ministry of Health and Wellness were transferred to the Ministry.

Comparatives for 2001 have been restated as if the Ministry had always been assigned its current responsibilities.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 3 Government Restructuring (continued)

	(thousands of dollars)
Net assets as previously reported at March 31, 2000	\$ 258,843
Transfer to the Ministry of Seniors	(233,224)
Transfer from the Ministry of Environment	201,388
Transfer from the Ministry of Health and Wellness	(45,887)
Adjustment for Michener Centre Facility Board Program Funds*	<u>1,036</u>
Net assets as restated at April 1, 2000	<u>\$ 182,156</u>

* These funds are used to provide recreational, social and vocational opportunities and dental services for persons with developmental disabilities. In prior years, these funds were included in the notes to the financial statements only. Effective April 1, 2001 these funds have been included in the Consolidated Statement of Financial Position and Consolidated Statement of Operations.

Note 4 Cash

Cash includes 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 five 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.

	<u>2002</u>	<u>2001</u>
	(thousands of dollars)	
Cash	\$ 46,504	\$ 41,479
Less appropriated for non-current use (Note 6)	<u>(8,167)</u>	<u>(8,167)</u>
	<u>\$ 38,337</u>	<u>\$ 33,312</u>

Due to the short-term nature of these deposits, the carrying value approximates fair value.

MINISTRY OF COMMUNITY DEVELOPMENT
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2002

Note 5 Accounts Receivable, prepaid expenses and inventories

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
	(thousands of dollars)			
Accounts receivable	\$ 2,287	\$ (43)	\$ 2,244	\$ 2,299
Refunds from suppliers	342	-	342	215
Advances	563	-	563	8
Others including prepaids and inventories	350	-	350	211
	<u>\$ 3,542</u>	<u>\$ (43)</u>	<u>\$ 3,499</u>	<u>\$ 2,733</u>

Accounts receivable are unsecured and non-interest bearing.

Note 6 Long-Term Investments

	2002		2001		
	Effective Interest Rate	Cost	Market	Cost	Market
	(thousands of dollars)				
Deposits with life insurance companies, maturing in six years ^(a)	5.125%	\$ 300	\$ 300	\$ 300	\$ 300
Mutual funds - bond fund		2,703	2,738	2,558	2,601
Cash and short-term investments appropriated for non-current use ^(b)		8,167	8,167	8,167	8,167
		<u>\$11,170</u>	<u>\$11,205</u>	<u>\$11,025</u>	<u>\$11,068</u>

^(a) The deposits with life insurance companies can be realized prior to maturity dates only with the payment of penalties.

^(b) Cash and short-term investments have been appropriated for non-current use by several entities in the Ministry to segregate the amounts that are needed to meet their long-term needs for endowments, reserves and other restricted uses.

MINISTRY OF COMMUNITY DEVELOPMENT
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2002

Note 7 Capital Assets

	Estimated Useful Life Years	2002			2001
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
(thousands of dollars)					
General Capital Assets:					
Land	N/A	\$ 39,354	\$ -	\$ 39,354	\$ 39,353
Buildings	20 to 40 yrs	119,868	(56,564)	63,304	66,629
Computer hardware and software	3 to 8 yrs	1,397	(932)	465	254
Equipment	3 to 10 yrs	21,013	(17,701)	3,312	1,842
Other	7 to 20 yrs	16,960	(12,976)	3,984	4,741
		<u>198,592</u>	<u>(88,173)</u>	<u>110,419</u>	<u>112,819</u>
Infrastructure Assets:					
Land improvements	40 yrs	\$ 139,448	\$ (63,623)	\$ 75,825	\$ 78,330
Highways and roads	40 yrs	47,897	(27,984)	19,913	21,099
Bridges	60 yrs	2,894	(617)	2,277	2,232
		<u>190,239</u>	<u>(92,224)</u>	<u>98,015</u>	<u>101,661</u>
		<u>\$ 388,831</u>	<u>\$ (180,397)</u>	<u>\$ 208,434</u>	<u>\$ 214,480</u>

Note 8 Collections

Collections consist of historical and scientific artifacts, archival holdings, and works of art of provincial, national and international significance located in the archives, museums and historical sites of the Province of Alberta. The Ministry has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. The collections are insured for \$355 million. A description of the major collections is as follows:

- (a) The Province operates and makes accessible 18 historic sites, interpretive centres and museums that contain 50 restored historic buildings/structures and 3 stabilized ruins. As well, the Province administers an additional 31 historic sites which contain 58 undeveloped historic buildings/structures, 1 developed historic resource, cairns or archaeological/palaeontological remains. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 8 Collections (Continued)

- (b) The Provincial Museum of Alberta curates 13 human and natural history programs, with a total collection of approximately 10 million objects representing a highly diverse complement of artifacts and specimens. These include mammals, birds, fish, insects, minerals, fossils, plant specimens, ethnographical material related to the First Nations, and Human History artifacts.
- (c) The Royal Tyrrell Museum of Paleontology collection has over 106,000 catalogued items including original and replica fossils. Annually, approximately 2000 specimens are accessioned into the collection.
- (d) Reynolds-Alberta Museum exhibits approximately 150 major agricultural, industrial and transportation artifacts, and provides conservation, maintenance and restoration services for an additional collection of approximately 3,000 major and 2,700 smaller artifacts. Included in these numbers are 75 vintage aircraft, 7 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering 42,200 pieces, related to the museum's mechanization themes.
- (e) The Remington-Alberta Carriage Centre houses one of the largest collections of horse drawn vehicles in the world, with over 200 carriages, buggies, wagons and sleighs, and approximately 230 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of 46,300 artifacts. Approximately 5,000 of these objects are used to furnish various smaller sites throughout the province, and 8,000 objects furnish the historic buildings at the Ukrainian Cultural Heritage Village. The remaining artifacts are preserved in storage.
- (g) The Provincial Archives of Alberta holds 33,500 linear metres of government textual records; 4,500 linear metres of private textual records; 56,900 maps; 22,600 architectural drawings; 2,084,900 photographic images; 46,600 hours of recorded audio tapes; 65,900 hours of film and video materials; and 10,100 volumes of items in the reference library.
- (h) The Collection Management Unit of the Arts Branch, manages fourteen collections containing approximately 1,500 donated, purchased and/or commissioned artworks.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 8 Collections (Continued)

- (i) The Glenbow-Alberta Institute manages under contract, the care of, and access to, a government collection of 216,300 artifacts in cultural history, military history, ethnology, art and mineralogy; four shelf kilometres of textual archival records; over one million historical photographs; 800,000 feet of film footage; and over 5,000 sound recordings. The collection is continually enhanced each year.
- (j) The Government House Foundation actively collects various significant items pertaining to the history of Government House. The collection is accessible to the public and consists of paintings, drawings, prints, sculptures, furnishings, books and silverware. The majority of the collection is used or displayed in Government House, while some items are on loan to other provincial institutions.

At March 31, 2002, the collection consisted of approximately 378 (2001 – 250) pieces of artworks and other items, with an approximate value \$948,192 (2001 – \$829,396). During the year, the Government House Foundation purchased artworks at a total cost of \$24,000 (2001 – \$7,225). Contributions to the collections included 50 items with an appraised value of \$94,795 (2001 - \$2,637). There were no disposals during the year.

- (k) The Alberta Foundation for the Arts actively collects visual artworks, which document the Province's significant visual artistic achievement. The collection is accessible to the public and consists of paintings, sculptures, drawings, photographs, ceramics, glass, fibre and prints. At year end, the collection consisted of approximately 6,781 (2001 – 6,500) artworks with an approximate value of \$7,072,250 (2001 - \$6,446,500). During the year, the Alberta Foundation for the Arts purchased 215 (2001 – 171) artworks by Alberta artists at a total cost of \$216,594 (2001 - \$230,029). Contributions to the collection included 43 (2001 – 37) artworks with an appraised value of \$387,675 (2001 - \$68,250). There was one disposal during the year for \$95 (2001 - \$NIL).
- (l) The Alberta Historical Resources Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs, and books of historical interest to the Province. There were no acquisitions or disposals during the year (2001 – NIL).
- (m) The Alberta Sport, Recreation, Parks and Wildlife Foundation has a collection of artworks consisting of 25 (2001 – 27) prints of the Waterfowl of North America Collection # 1250 with an approximate value of \$7,297 (2001 - \$7,934). During the year, there were 2 (2001 – NIL) dispositions. The proceeds received of \$275 (2001 - \$NIL) were donated to the Lesser Slave Lake Bird Observatory for charitable purposes.

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 9 Net Assets

	2002	2001
	(thousands of dollars)	
Unrestricted funds	\$ 199,171	\$ 197,795
Endowment funds	9,413	9,406
Externally restricted funds	3,540	3,877
Internally restricted funds	121	40
General reserves	1,967	1,967
	\$ 214,212	\$ 213,085

Note 10 Commitments

As at March 31, 2002, the Ministry had commitments for leases, contracts and grants approved but not expended, pending fulfillment of eligibility conditions as follows

	2002	2001
	(thousands of dollars)	
Contract Commitments	\$ 64,031	\$ 59,434
Lease Commitments ^(a)	2,558	1,280
	\$ 66,589	\$ 60,714

^(a) The Ministry 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:

2001 - 2002	\$ -	\$ 664
2002 - 2003	996	353
2003 - 2004	636	180
2004 - 2005	450	83
2005 - 2006	209	-
2006 - 2007	124	-
Thereafter	143	-
	\$ 2,558	\$ 1,280

MINISTRY OF COMMUNITY DEVELOPMENT
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 MARCH 31, 2002

Note 11 Contingencies

The Department has a contingent liability in respect of 18 claims (2001 – 27 claims) aggregating \$15.1 million (2001 – \$18.2 million) relating to the 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.

At March 31, 2002, the Department is a defendant in seven other legal claims (2001 – two legal claims). Five of these claims have a specified amount totalling \$1,190,000 and the remaining two have not specified any amount (2001 – two claims with a specified amount of \$250,000). Three claims (2001 – two claims) amounting to \$910,000 (2001 - \$250,000) are covered by the Alberta Risk Management Fund.

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

Note 12 Trust Funds Under Administration

The Ministry administers trust funds that are regulated 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 purposes of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2002, trust funds under administration were as follows:

	2002	2001
	(thousands of dollars)	
Gakken Dinosaur Exhibit Trust Fund	\$ 150	\$ 144
Fort Dunvegan Historical Society Trust Fund	6	6
Persons with Developmental Disabilities		
Community Board's Client Trust Funds	171	157
Michener Centre Facility Board Client Trust Funds	269	279
	\$ 596	\$ 586

Note 13 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 \$4,927,000 for the year ended March 31, 2002 (2001 \$4,186,000).

MINISTRY OF COMMUNITY DEVELOPMENT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2002

Note 13 Defined Benefit Plans (continued)

At December 31, 2001, the Management Employees Pension Plan reported a surplus of \$5,338,000 (2000 \$170,858,000) and the Public Service Pension Plan reported a surplus of \$320,487,000 (2000 \$635,084,000). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$399,000 (2000 surplus of \$180,000).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of \$8,646,000 (2001 \$12,710,000) and the Management, Opted Out and Excluded Plan reported an actuarial deficiency of \$2,656,000 (2001 \$4,583,000). The expense for these two plans is limited to employer's annual contributions for the year.

Note 14 Comparative Figures

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

Note 15 Approval of Consolidated Financial Statements

The consolidated financial statements were approved by the Senior Financial Officer and the Deputy Minister of Community Development

MINISTRY OF COMMUNITY DEVELOPMENT
REVENUES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal Government Transfers:			
Transfers from the Lottery Fund	<u>\$ 108,544</u>	<u>\$ 100,714</u>	<u>\$ 61,071</u>
Transfers from the Government of Canada:			
Canada Health and Social Transfers	15,006	15,921	18,047
Other	<u>350</u>	<u>375</u>	<u>350</u>
	<u>15,356</u>	<u>16,296</u>	<u>18,397</u>
Investment income:			
Interest	<u>1,440</u>	<u>1,382</u>	<u>1,816</u>
Fees, permits and licences:	<u>8,918</u>	<u>7,684</u>	<u>6,332</u>
Other revenue:	<u>9,762</u>	<u>11,383</u>	<u>8,441</u>
Total revenues	<u><u>\$ 144,020</u></u>	<u><u>\$ 137,459</u></u>	<u><u>\$ 96,057</u></u>

MINISTRY OF COMMUNITY DEVELOPMENT
DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall)/ Excess ^(f)
Cultural facilities and historical resources ^(b)	\$ 1,000	\$ 858	\$ (142)
Parks operations ^(c)	2,100	1,851	(249)
Parks capital reinvestment levy ^(d)	1,500	829	(671)
Francophone Secretariat ^(e)	319	255	(64)
	<u>\$ 4,919</u>	<u>\$ 3,793</u>	<u>\$ (1,126)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Ministry's revenues in the Consolidated Statement of Operations
- (b) Cultural facilities and historical resources dedicated revenue is related to donations of historic artifacts.
- (c) Parks Operations dedicated revenue initiative is established to:
- ensure that tendered campgrounds, that have not been contracted out, and other recreational facilities will remain open to the public;
 - facilitate the receipt of corporate and private sector contributions to the parks programs;
 - provide for the interim operation of tendered campgrounds and recreation facilities by redirecting fees, corporate and other contributions to the parks operations;
 - provide for the cost of firewood supply at sites which do not have facility operating agreements or firewood concessions.
- (d) Revenues generated by the Parks capital reinvestment levy dedicated revenue are used for reinvestment in the aging infrastructure of Alberta's parks and recreations areas. This levy is included in the camping fees at all Natural Heritage Sites and those Recreation Facility sites operated to Department standards.
- (e) Francophone Secretariat dedicated revenue is a Canada - Alberta Cooperation Agreement to promote the official languages.
- (f) Shortfall is deducted from current year's authorized budget, as disclosed in Schedule 4 to the financial statements.

MINISTRY OF COMMUNITY DEVELOPMENT
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Salaries, wages and employee benefits	\$ 108,197	\$ 109,383	\$ 103,379
Supplies and services	209,914	213,280	192,421
Supplies and services from support service arrangements with Related Parties ^(a)	1,316	2,383	3,658
Grants	273,582	223,701	243,547
Financial transactions and other	96	127	130
Amortization of capital assets	10,008	10,165	10,685
	<u> </u>	<u> </u>	<u> </u>
Total expenses	\$ 603,113	\$ 559,039	\$ 553,820
Less: Recovery from support service arrangements with Related Parties ^(b)	<u>(1,196)</u>	<u>(2,001)</u>	<u>(481)</u>
Total Expenses	<u>\$ 601,917</u>	<u>\$ 557,038</u>	<u>\$ 553,339</u>

^(a) The Ministry receives information technology services from the Ministry of Seniors for 2002 and financial and administrative services from the Ministry of Human Resources and Employment for 2001 and 2002.

^(b) The Ministry provides financial and administrative services to the Ministries of Gaming, Seniors, and Children Services. Costs incurred by the Ministry for these services are recovered from the respective Ministries.

MINISTRY OF COMMUNITY DEVELOPMENT
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-02				
	Estimates	Adjustment ^(a)	Budget	Authorized Supplementary ^(b)	Authorized Budget
Revenues:					
Internal government transfers	\$ 108,544	\$ -	\$ 108,544	\$ -	\$ 108,544
Transfers from the Government of Canada	15,356	-	15,356	-	15,356
Investment income	1,440	-	1,440	-	1,440
Fees, permits and licences	8,918	-	8,918	-	8,918
Other revenue	9,762	-	9,762	830	10,592
	<u>144,020</u>	<u>-</u>	<u>144,020</u>	<u>830</u>	<u>144,850</u>
Expenses:					
Promoting community development	90,995	-	90,995	314	91,309
Protecting human rights and promoting fairness and access	4,550	-	4,550	-	4,550
Ensuring inclusion and participation for Albertans with disabilities	383,605	-	383,605	-	383,605
Preserving, protecting and presenting Alberta's history and culture	73,931	-	73,931	830	74,761
Preserving, protecting and presenting Alberta's provincial parks and protected areas	41,895	-	41,895	-	41,895
Ministry support services	6,941	-	6,941	-	6,941
Dedicated revenue shortfall (Schedule 2)	-	(1,126)	(1,126)	-	(1,126)
	<u>601,917</u>	<u>(1,126)</u>	<u>600,791</u>	<u>1,144</u>	<u>601,935</u>
Valuation adjustments:					
Provision for doubtful accounts	-	-	-	-	-
Provision for vacation pay	819	-	819	-	819
	<u>819</u>	<u>-</u>	<u>819</u>	<u>-</u>	<u>819</u>
	<u>602,736</u>	<u>(1,126)</u>	<u>601,610</u>	<u>1,144</u>	<u>602,754</u>
(Gain) Loss on disposal of capital assets	<u>(2,320)</u>	<u>-</u>	<u>(2,320)</u>	<u>-</u>	<u>(2,320)</u>
Net Operating Results	<u>\$ (456,396)</u>	<u>\$ 1,126</u>	<u>\$ (455,270)</u>	<u>\$ (314)</u>	<u>\$ (455,584)</u>
Capital investment	<u>\$ 2,883</u>	<u>\$ -</u>	<u>\$ 2,883</u>	<u>\$ -</u>	<u>\$ 2,883</u>

(a) Adjustments include dedicated revenue shortfalls.

(b) Treasury Board approved the following:

- \$135,000 surplus neutral increase on August 1, 2001 to allow the Provincial Museum of Alberta to undertake a study on the impact of oil and gas development on Alberta's wildlife
- \$600,000 surplus neutral increase on November 8, 2001 for the "Sixties" exhibit at the Provincial Museum of Alberta
- \$314,000 increase on August 1, 2001 to access the Alberta Foundation for the Arts fund balance related to the Film Development program
- \$95,000 surplus neutral increase on August 1, 2001 to allow the Government House Foundation to accept a donation of artwork

MINISTRY OF COMMUNITY DEVELOPMENT
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002
(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 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 in the financial statements at the amount of consideration agreed upon between the related parties.

	Other Entities	
	2002	2001
Revenues:		
Lottery Fund	\$ 100,714	\$ 61,031
Human Resources & Employment	27	27
	<u>\$ 100,741</u>	<u>\$ 61,058</u>
Expenses - Directly Incurred		
Other Services	<u>\$ 10,321</u>	<u>\$ 701</u>
Capital Assets Transferred	<u>\$ 9</u>	<u>\$ -</u>
Accounts Receivable	<u>\$ 4</u>	<u>\$ 26</u>
Accounts Payable	<u>\$ 1,315</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

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 6.

	Other Entities	
	2002	2001
Expenses - Incurred by Others		
Accommodation	\$ 26,757	\$ 26,646
Legal	362	350
	<u>\$ 27,119</u>	<u>\$ 26,996</u>

MINISTRY OF COMMUNITY DEVELOPMENT
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Program	2002				2001	
	Expenses (1)	Expenses - Incurred by Others		Valuation Adjustments		Total Expenses
		Accommodation Costs	Legal Services	Vacation Pay	Doubtful Accounts	
Promoting community development	\$ 80,830	\$ 1,663	\$ 97	\$ (106)	\$ 36	\$ 82,520
Protecting human rights and promoting fairness and access	5,740	179	4	1	-	5,924
Ensuring inclusion and participation for Albertans with Disabilities	380,056	8,823	65	(256)	-	388,688
Preserving, protecting and presenting Alberta's history and culture	44,799	14,388	79	(157)	1	59,110
Preserving, protecting and presenting Alberta's provincial parks and protected areas	39,802	1,303	61	533	(42)	41,657
Ministry support services	5,811	401	56	120	-	6,388
	<u>\$ 557,038</u>	<u>\$ 26,757</u>	<u>\$ 362</u>	<u>\$ 135</u>	<u>\$ (5)</u>	<u>\$ 584,287</u>
						<u>\$ 580,523</u>

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

Department of Community Development

Financial Statements

March 31, 2002

**DEPARTMENT OF COMMUNITY DEVELOPMENT
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 – Revenues

Schedule 2 – Dedicated Revenue Initiatives

Schedule 3 – Expenses – Directly Incurred Detailed by Object

Schedule 4 – Budget

Schedule 5 – Comparison of Expenses – Directly Incurred and Capital Investments by Element to
Authorized Budget

Schedule 6 – Schedule of Salary and Benefits

Schedule 7 – Related Party Transactions

Schedule 8 – Allocated Costs



AUDITOR'S REPORT

To the Minister of Community Development

I have audited the statement of financial position of the Department of Community Development 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 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.

The Department is required to follow the corporate government accounting policies and reporting practices established by Alberta Treasury, including the following policy that is an exception from Canadian generally accepted accounting principles. Items that are capital in nature have been expensed and not recognized as assets in the accompanying statement of financial position. Consequently, a significant amount of resources available to the Department for future use has been recorded as if they had been consumed. It is estimated that at March 31, 2002, assets and net assets have been understated by \$1,088,389 and expenses have been understated by \$271,893.

In my opinion, except for the effect of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Department 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 23, 2002

DEPARTMENT OF COMMUNITY DEVELOPMENT
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		2001
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedule 1 and 2):			
Internal government transfers	\$ 108,544	\$ 100,714	\$ 11,457
Transfers from the Government of Canada	15,006	16,196	18,067
Fees, permits and licences	5,525	3,695	2,848
Other revenue	2,262	5,539	3,728
	<u>131,337</u>	<u>126,144</u>	<u>36,100</u>
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted expenses (Schedules 3 and 6):			
Ministry support services	6,941	5,811	6,405
Community services	85,829	77,354	53,179
Human rights and citizenship	4,363	5,599	2,967
Community support systems	383,605	380,203	341,604
Cultural facilities and historical resources	65,644	37,848	52,752
Parks and protected areas	41,895	39,802	38,981
	<u>588,277</u>	<u>546,617</u>	<u>495,888</u>
Statutory			
Valuation adjustments:			
Provision for doubtful accounts	-	(42)	(130)
Provision for vacation pay	819	460	102
	<u>819</u>	<u>418</u>	<u>(28)</u>
	<u>589,096</u>	<u>547,035</u>	<u>495,860</u>
(Gain) Loss on disposal of capital assets	<u>(2,320)</u>	<u>(37)</u>	<u>306</u>
Net operating results	<u>\$ (455,439)</u>	<u>\$ (420,854)</u>	<u>\$ (460,066)</u>

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

DEPARTMENT OF COMMUNITY DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002
(thousands of dollars)

	2002	2001
Assets:		
Cash	\$ 174	\$ 465
Accounts receivable (Note 4)	1,045	2,052
Advances (Note 5)	507	-
Capital assets (Notes 6 and 7)	205,020	211,612
	\$ 206,746	\$ 214,129
 Liabilities:		
Accounts payable and accrued liabilities	\$ 17,519	\$ 25,025
Unearned revenue	179	175
	17,698	25,200
 Net Assets:		
Net assets at beginning of year (Note 3)	188,929	160,253
Net operating results	(420,854)	(460,066)
Net transfer from General Revenues	420,973	488,742
Net assets at end of year	189,048	188,929
	\$ 206,746	\$ 214,129

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

DEPARTMENT OF COMMUNITY DEVELOPMENT
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002	2001
Operating transactions:		
Net operating results	\$ (420,854)	\$ (460,066)
Non-cash items:		
Amortization	9,801	10,313
Capital assets contribution in kind	(71)	(118)
Transfers of collections (Note 7)	174	-
Valuation adjustments	418	(28)
(Gain) loss on disposal of capital assets	(37)	306
	(410,569)	(449,593)
Decrease (increase) in accounts receivable before valuation adjustments	1,049	(1,658)
Decrease (increase) in travel advances	(507)	1
Decrease in accounts payable and accrued liabilities before valuation adjustments	(7,966)	(33,916)
Increase in unearned revenue	4	4
	(417,989)	(485,162)
Cash used by operating transactions	(417,989)	(485,162)
Investing transactions:		
Purchase of capital assets (Schedule 6)	(3,307)	(3,202)
Proceeds from disposal of capital assets	23	46
Transfers of capital assets	9	-
	(3,275)	(3,156)
Cash used for investing transactions	(3,275)	(3,156)
Financing transactions:		
Net transfer from General Revenues	420,973	488,742
Net cash provided	(291)	424
Cash, beginning of year	465	41
Cash, end of year	\$ 174	\$ 465

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

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Department of Community Development (Department) operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The purpose of the Department is to advance the quality of life for Albertans by providing leadership, support and opportunity so they may participate in the social, cultural and economic life of the Province. This is done by:

- promoting community development by designing and delivering programs and services that nurture and support, in partnership with geographic communities and communities of interest, a high quality of life in Alberta;
- protecting human rights and promoting fairness and access by designing and delivering programs and services that increase understanding and awareness of diversity, fostering equality and reducing discrimination so all Albertans have the opportunity to participate in the social, economic and cultural life of the Province;
- ensuring inclusion and participation for Albertans with disabilities by designing and delivering individual-based programs that ensure that Albertans who live with a disability have opportunity to participate in the social, economic and cultural life of the province;
- preserving, protecting and presenting Alberta's history and culture by designing and delivering programs and services that preserve, protect, present and promote appreciation for Alberta's historical resources and culture, and provide significant educational, scientific and economic benefits; and
- preserving, protecting and presenting Alberta's provincial parks and protected areas by managing and maintaining Alberta's provincial parks and protected areas to preserve the province's natural heritage and provide opportunities for heritage appreciation, outdoor recreation and heritage tourism.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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 for all departments. 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. 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 Department of Community Development, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) is accountable. Other entities reporting to the Minister are:

- Alberta Foundation for the Arts
- The Alberta Historical Resources Foundation
- Alberta Sport, Recreation, Parks and Wildlife Foundation
- The Government House Foundation
- Historic Resources Fund
- Human Rights, Citizenship and Multiculturalism Education Fund
- The Wild Rose Foundation
- Persons with Developmental Disabilities 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 (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 COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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.

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.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

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.

Directly incurred expenses include:

- amortization of capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Directly Incurred (continued)

- 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 operations are disclosed in Schedule 8.

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. Capital assets of the Department are recorded at historical cost and are 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 \$15,000. All land is capitalized.

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

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

Collections of historic and scientific artifacts, archival holdings, and works of art held by the Department are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Contributions of collection items are reported as revenue and expenses at their fair value when fair value can be determined.

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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 Department at fiscal year end.

Net Assets

Net assets represents the difference between the value of assets held by the Department 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, travel advances, accounts payable and accrued liabilities, and unearned revenue are estimated to approximate their book values.

Note 3 Government Restructuring

As a result of government restructuring announced on March 15, 2001, there were the following changes in the responsibilities of the Department:

- Services to Seniors and Special Purpose Housing were transferred to the newly established Ministry of Seniors.
- Parks and Protected Areas was transferred from Ministry of Environment.
- Community Support Systems was transferred from Ministry of Health and Wellness.

Comparatives for 2001 have been restated as if the Department had always been assigned its current responsibilities.

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 3 Government Restructuring (continued)

	(thousands of dollars)
Net assets as previously reported at March 31, 2000	\$ 23,855
Transfer to the Department of Seniors	20,859
Transfer from the Department of Environment	201,388
Transfer from the Department of Health and Wellness	<u>(44,131)</u>
 Net assets as restated at April 1, 2000	 <u><u>\$ 160,253</u></u>

Note 4 Accounts Receivable

	2002			2001
	(thousands of dollars)			
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 754	\$ (8)	\$ 746	\$ 2,025
Refunds from suppliers	<u>299</u>	<u>-</u>	<u>299</u>	<u>27</u>
	<u><u>\$ 1,053</u></u>	<u><u>\$ (8)</u></u>	<u><u>\$ 1,045</u></u>	<u><u>\$ 2,052</u></u>

Accounts receivable are unsecured and non-interest bearing.

Note 5 Advances

	2002			2001
	(thousands of dollars)			
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Advances (1)	\$ 507	\$ -	\$ 507	\$ -

(1) The Department has used funds advanced by Treasury to establish petty cash funds and provide travel advances. In addition, \$500 relates to an advance required for the operation of the Government Procurement Card.

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 6 Capital Assets

	Estimated Useful Life	2002		2001	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
(thousands of dollars)					
General Capital Assets:					
Buildings	20 - 40 years	\$ 119,624	\$ (56,535)	\$ 63,089	\$ 66,408
Land		37,408	-	37,408	37,407
Computer hardware and software	5 - 8 years	865	(426)	439	221
Equipment	3 - 10 years	15,285	(13,199)	2,086	1,174
Other	20 years	16,953	(12,970)	3,983	4,741
Infrastructure Assets:					
Land improvements	40 years	139,448	(63,623)	75,825	78,330
Highways and roads	40 years	47,897	(27,984)	19,913	21,099
Bridges	60 years	2,894	(617)	2,277	2,232
		<u>\$ 380,374</u>	<u>\$ (175,354)</u>	<u>\$ 205,020</u>	<u>\$ 211,612</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Collections

Collections consist of historical and scientific artifacts, archival holdings, and works of art of provincial, national and international significance located in the archives, museums and historical sites of the Province of Alberta. The Department has not recorded the value of these collections in the financial statements due to the practical difficulties of reflecting them at a meaningful value. The collections are insured for \$355 million. A description of the major collections is as follows:

- (a) The Province operates and makes accessible 18 historic sites, interpretive centres and museums that contain 50 restored historic buildings/structures and 3 stabilized ruins. As well, the Province administers an additional 31 historic sites which contain 58 undeveloped historic buildings/structures, 1 developed historic resource, cairns or archaeological/palaeontological remains. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.
- (b) The Provincial Museum of Alberta curates 13 human and natural history programs, with a total collection of approximately 10 million objects representing a highly diverse complement of artifacts and specimens. These include mammals, birds, fish, insects, minerals, fossils, plant specimens, ethnographical material related to the First Nations, and Human History artifacts.
- (c) The Royal Tyrrell Museum of Palaeontology collection has over 106,000 catalogued items including original and replica fossils. Annually, approximately 2000 specimens are accessioned into the collection.
- (d) Reynolds-Alberta Museum exhibits approximately 150 major agricultural, industrial and transportation artifacts, and provides conservation, maintenance and restoration services for an additional collection of approximately 3,000 major and 2,700 smaller artifacts. Included in these numbers are 75 vintage aircraft, 7 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering 42,200 pieces, related to the museum's mechanization themes.
- (e) The Remington Alberta Carriage Centre houses one of the largest collections of horse drawn vehicles in the world, with over 200 carriages, buggies, wagons and sleighs, and approximately 230 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of 46,300 artifacts. Approximately 5,000 of these objects are used to furnish various smaller sites throughout the province, and 8,000 objects furnish the historic buildings at the Ukrainian Cultural Heritage Village. The remaining artifacts are preserved in storage.

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Collections (continued)

- (g) The Provincial Archives of Alberta holds approximately 33,500 linear metres of government textual records; 4,500 linear metres of private textual records; 56,900 maps; 22,600 architectural drawings; 2,084,900 photographic images; 46,600 hours of recorded audio tapes; 65,900 hours of film and video materials; and 10,100 volumes of items in the reference library.
- (h) The Collection Management Unit of the Arts Branch, manages fourteen collections containing approximately 1,500 donated, purchased and/or commissioned artworks.
- (i) The Glenbow-Alberta Institute manages under contract, the care of, and access to, a government collection of 216,300 artifacts in cultural history, military history, ethnology, art and mineralogy; four shelf kilometres of textual archival records; over one million historical photographs; 800,000 feet of film footage; and over 5,000 sound recordings. The collection is continually enhanced each year.

Note 8 Commitments

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

	2002	2001
	(thousands of dollars)	
Program contracts	\$ 1,459	\$ 13,855
Long-term leases (a)	1,188	479
	\$ 2,647	\$ 14,334

- (a) The Department leases vehicles under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	2002	2001
	(thousands of dollars)	
2001 - 2002	\$ -	\$ 312
2002 - 2003	610	119
2003 - 2004	342	28
2004 - 2005	202	20
2005 - 2006	34	-
	\$ 1,188	\$ 479

DEPARTMENT OF COMMUNITY DEVELOPMENT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 9 Contingencies

The Department of Community Development has a contingent liability in respect of 18 claims (2001 – 27 claims) aggregating \$15.1 million (2001 – 18.2 million) relating to the 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.

At March 31, 2002, the Department is a defendant in seven other legal claims (2001 – two legal claims). Five of these claims have a specified amount totalling \$1,190,000 and the remaining two have not specified any amount (2001 – two claims with a specified amount of \$250,000). Three claims (2001 – two claims) amounting to \$910,000 (2001 - \$250,000) are covered by the Alberta Risk Management Fund.

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

Note 10 Trust Funds Under Administration

The Department administers trust funds that are regulated 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 purposes of various trusts, they are not included in the Department's financial statements.

As at March 31, 2002, trust funds under administration were as follows:

	2002	2001
	(thousands of dollars)	
Gakken Dinosaur Exhibit Trust Fund	\$ 150	\$ 144
Fort Dunvegan Historical Society Trust Fund	6	6
	\$ 156	\$ 150

DEPARTMENT OF COMMUNITY DEVELOPMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 11 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 \$2,155,000 for the year ended March 31, 2002 (2001 - \$2,085,000).

At December 31, 2001, the Management Employees Pension Plan reported a surplus of \$5,338,000 (2000 - \$170,858,000) and the Public Service Pension Plan reported a surplus of \$320,487,000 (2000 - \$635,084,000). At December 31, 2001, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$399,000 (2000 – surplus \$180,000).

The Department also participates in two multiemployer Long Term Disability Income Continuance Plans. At March 31, 2002, the Bargaining Unit Plan reported an actuarial deficiency of \$8,646,000 (2001 - \$12,710,000) and the Management, Opted Out and Excluded Plan an actuarial deficiency of \$2,656,000 (2001 - \$4,583,000). The expense for these two plans is limited to employer's annual contributions for the year.

Note 12 Comparative Figures

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

Note 13 Approval of Financial Statements

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

DEPARTMENT OF COMMUNITY DEVELOPMENT
REVENUES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal government transfers:			
Transfer from the Lottery Fund	\$ 108,544	\$ 100,714	\$ 11,457
Transfer from the Government of Canada:			
Canada Health and Social Transfers	15,006	15,921	18,047
Other	-	275	20
	<u>15,006</u>	<u>16,196</u>	<u>18,067</u>
Fees, permits and licences:			
Residency fees	900	824	779
Land and grazing	600	461	421
Film classification	400	577	468
Other	3,625	1,833	1,180
	<u>5,525</u>	<u>3,695</u>	<u>2,848</u>
Other revenue:			
Contribution in kind	1,000	859	1,501
Refunds of expenses	1,015	3,350	888
Other	247	1,330	1,339
	<u>2,262</u>	<u>5,539</u>	<u>3,728</u>
	<u>\$ 131,337</u>	<u>\$ 126,144</u>	<u>\$ 36,100</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall)/ Excess ^(f)
Cultural facilities and historical resources ^(b)	\$ 1,000	\$ 858	\$ (142)
Parks operations ^(c)	2,100	1,851	(249)
Parks capital reinvestment levy ^(d)	1,500	829	(671)
Francophone Secretariat ^(e)	319	255	(64)
	<u>\$ 4,919</u>	<u>\$ 3,793</u>	<u>\$ (1,126)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations.
- (b) Cultural facilities and historical resources dedicated revenue is related to donations of artifacts and other items to various historic sites and cultural facilities.
- (c) Parks Operations dedicated revenue initiative is established to:
- ensure that tendered campgrounds, that have not been contracted out, and other recreational facilities will remain open to the public;
 - facilitate the receipt of corporate and private sector contributions to the parks programs;
 - provide for the interim operation of tendered campgrounds and recreation facilities by redirecting fees, corporate and other contributions to parks operations;
 - provide for the cost of firewood supply at sites which do not have facility operating agreements or firewood concessions.
- (d) Revenues generated by the Parks capital reinvestment levy dedicated revenue are used for reinvestment in the aging infrastructure of Alberta's parks and recreation areas. This levy is included in the camping fees at all Natural Heritage Sites and those Recreation Facility sites operated to Department standards.
- (e) Francophone Secretariat dedicated revenue is a Canada - Alberta Cooperation Agreement to promote the official languages.
- (f) Shortfall is deducted from current year's authorized budget, as disclosed in Schedule 4 and 5 to the financial statements.

DEPARTMENT OF COMMUNITY DEVELOPMENT
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2002		2001
	Budget	Actual	Actual
Voted expenses:			
Salaries, wages and employee benefits	\$ 45,037	\$ 45,361	\$ 44,439
Supplies and services	28,339	27,138	29,037
Supplies and services from support services arrangements with related parties ^(a)	1,316	1,316	3,651
Grants	508,013	466,590	411,427
Financial transactions and other	96	118	105
Amortization of capital assets	9,855	9,801	10,313
Total voted expenses before recoveries	\$ 592,656	\$ 550,324	\$ 498,972
Less: Recovery from Support Service arrangements with Related Parties ^(b)	(4,379)	(3,707)	(3,084)
Total Voted Expenses	<u>\$ 588,277</u>	<u>\$ 546,617</u>	<u>\$ 495,888</u>

^(a) The Department receives information technology services from the Department of Seniors for current year; and received financial and administrative services from the Department of Human Resources and Employment in prior year.

^(b) The Department provides financial and administrative services to Ministry of Seniors, Ministry of Gaming and to the funds and agencies of the Ministry of Community Development. Costs incurred by the Department for these services are recovered from the Ministry of Seniors, Ministry of Gaming and from the funds and agencies of the Ministry of Community Development.

DEPARTMENT OF COMMUNITY DEVELOPMENT
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-02				
	Estimates	Adjustment (a)	Budget	Authorized Supplementary	Authorized Budget
Revenues:					
Internal government transfers	\$ 108,544	\$ -	\$ 108,544	\$ -	\$ 108,544
Transfers from the Government of Canada	15,006	-	15,006	-	15,006
Fees, permits and licences	5,525	-	5,525	-	5,525
Other revenue	2,262	-	2,262	-	2,262
	<u>131,337</u>	<u>-</u>	<u>131,337</u>	<u>-</u>	<u>131,337</u>
Expenses:					
Voted expenses:					
Ministry support services	6,941	-	6,941	-	6,941
Community services	85,829	-	85,829	-	85,829
Human rights and citizenship	4,363	-	4,363	-	4,363
Community support systems	383,605	-	383,605	-	383,605
Cultural facilities and historical resources	65,644	-	65,644	-	65,644
Parks and protected areas	41,895	-	41,895	-	41,895
Dedicated revenue shortfall (Schedule 2)	-	(1,126)	(1,126)	-	(1,126)
	<u>588,277</u>	<u>(1,126)</u>	<u>587,151</u>	<u>-</u>	<u>587,151</u>
Statutory Expenses:					
Valuation adjustments:					
Provision for doubtful accounts	-	-	-	-	-
Provision for vacation pay	819	-	819	-	819
	<u>819</u>	<u>-</u>	<u>819</u>	<u>-</u>	<u>819</u>
	<u>589,096</u>	<u>(1,126)</u>	<u>587,970</u>	<u>-</u>	<u>587,970</u>
(Gain) Loss on disposal of capital assets	<u>(2,320)</u>	<u>-</u>	<u>(2,320)</u>	<u>-</u>	<u>(2,320)</u>
Net Operating Results	<u>\$ (455,439)</u>	<u>\$ 1,126</u>	<u>\$ (454,313)</u>	<u>\$ -</u>	<u>\$ (454,313)</u>
Capital investment	<u>\$ 2,883</u>	<u>\$ -</u>	<u>\$ 2,883</u>	<u>\$ -</u>	<u>\$ 2,883</u>

(a) Adjustments include dedicated revenue shortfalls.

DEPARTMENT OF COMMUNITY DEVELOPMENT
COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-2002 Estimates	Adjustments ^(a)	2001-02 Budget	2001-02 Authorized Supplementary ^(b)	2001-02 Authorized Budget	2001-2002 Actual	Unexpended (Over Expended)
Voted Expenses and Capital Investments							
1 Ministry support services							
1.01 Minister's office	\$ 308	\$ -	\$ 308	\$ -	\$ 308	\$ 307	\$ 1
1.02 Deputy Minister's office	259	-	259	-	259	259	0
1.03 Strategic Corporate Services							
- operating expense	5,982	-	5,982	-	5,982	4,609	1,373
- capital investment	-	-	-	-	-	25	(25)
Communications	392	-	392	-	392	382	10
1.04 Achievement Award Program							
1.05	-	-	-	-	-	254	(254)
	<u>6,941</u>		<u>6,941</u>		<u>6,941</u>	<u>5,836</u>	<u>1,105</u>
2 Community services							
2.1 Management and operations							
2.1.1 Program support	1,024	-	1,024	-	1,024	515	509
2.1.2 Arts development	1,435	-	1,435	-	1,435	1,655	(220)
2.1.3 Volunteer Services	3,649	-	3,649	-	3,649	3,564	85
2.1.4 Sport and recreation	1,142	-	1,142	-	1,142	1,059	83
2.1.5 Library services	437	-	437	-	437	476	(39)
2.1.6 Francophone Secretariat	306	-	306	-	306	528	(222)
	<u>7,993</u>		<u>7,993</u>		<u>7,993</u>	<u>7,797</u>	<u>196</u>
2.2 Financial assistance							
2.2.1 Community services grants							
- operating expense	200	-	200	-	200	211	(11)
- operating expense funded by lotteries	400	-	400	-	400	400	-
Library operating grants	16,667	-	16,667	-	16,667	16,453	214
2.2.2 2001 World Championships in Athletics							
- operating expense funded by lotteries	10,000	-	10,000	-	10,000	10,000	-
2.2.3 Assistance to the Alberta Foundation for the Arts							
- operating expense funded by lotteries	21,104	-	21,104	-	21,104	20,880	224
2.2.4 Assistance to the Alberta Sport, Recreation, Parks and Wildlife Foundation							
- operating expense	15,035	-	15,035	-	15,035	150	(150)
2.2.5 Assistance to the Wild Rose Foundation							
- operating expense funded by lotteries	6,600	-	6,600	-	6,600	6,526	74
2.2.6 Assistance to the First Nations Development Fund							
- operating expense funded by lotteries	7,830	-	7,830	-	7,830	-	7,830
	<u>77,836</u>		<u>77,836</u>		<u>77,836</u>	<u>69,557</u>	<u>8,279</u>
	<u>85,829</u>		<u>85,829</u>		<u>85,829</u>	<u>77,354</u>	<u>8,475</u>
3 Human rights and citizenship							
3.0.1 Human rights and citizenship							
- operating expense	3,301	-	3,301	-	3,301	3,247	54
- capital investment	54	-	54	-	54	67	(13)
3.0.2 Assistance to the Human Rights, Citizenship and Multiculturalism Education Fund							
- operating expense funded by lotteries	1,062	-	1,062	-	1,062	2,352	(1,290)
	<u>4,417</u>		<u>4,417</u>		<u>4,417</u>	<u>5,666</u>	<u>(1,249)</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
 COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
 FOR THE YEAR ENDED MARCH 31, 2002
 (thousands of dollars)

	2001-2002 Estimates	Adjustments ^(a)	2001-02 Budget	2001-02 Authorized Supplementary ^(b)	2001-02 Authorized Budget	2001-2002 Actual	Unexpended (Over Expended)
4 Community support systems							
4.1 Management and operations							
4.1.1 Program support	207	-	207	-	207	272	(65)
4.1.2 Community support systems	1,461	-	1,461	-	1,461	697	764
4.1.3 Premier's Council on the status of persons with disabilities	742	-	742	-	742	605	137
4.1.4 Protection for persons in care	1,058	-	1,058	-	1,058	1,089	(31)
4.1.5 Sterilization Claims	-	-	-	-	-	1,305	(1,305)
	<u>3,468</u>	<u>-</u>	<u>3,468</u>	<u>-</u>	<u>3,468</u>	<u>3,968</u>	<u>(500)</u>
4.2 Financial assistance							
4.2.1 Brain injury initiative	1,500	-	1,500	-	1,500	1,200	300
4.2.2 Assistance to Persons with Developmental Disabilities Foundation	357	-	357	-	357	267	90
4.2.3 Assistance to Persons with Developmental Disabilities Provincial Board	378,280	-	378,280	-	378,280	374,768	3,512
	<u>380,137</u>	<u>-</u>	<u>380,137</u>	<u>-</u>	<u>380,137</u>	<u>376,235</u>	<u>3,902</u>
	<u>383,605</u>	<u>-</u>	<u>383,605</u>	<u>-</u>	<u>383,605</u>	<u>380,203</u>	<u>3,402</u>
5 Cultural facilities and historical resources							
5.1 Management and operations							
5.1.1 Program support	1,256	-	1,256	-	1,256	634	622
5.1.2 Provincial Museum	3,934	-	3,934	-	3,934	4,104	(170)
- operating expense	500	-	500	-	500	541	(41)
- operating expense funded by lotteries							
Royal Tyrrell Museum of Palaeontology	1,801	-	1,801	-	1,801	1,965	(164)
- operating expense	-	-	-	-	-	23	(23)
- capital investment							
Historic sites services	8,330	-	8,330	-	8,330	8,509	(179)
- operating expense	435	-	435	-	435	436	(1)
- operating expense funded by lotteries							
Provincial Archives of Alberta	1,658	-	1,658	-	1,658	1,444	214
- operating expense	-	-	-	-	-	179	(179)
- operating expense funded by lotteries							
Heritage Resources Management	2,152	-	2,152	-	2,152	2,226	(74)
- operating expense	-	-	-	-	-	50	(50)
- operating expense funded by lotteries						254	(254)
- capital investment							
Centennial Operations	600	-	600	-	600	503	97
- operating expense funded by lotteries							
	<u>20,666</u>	<u>-</u>	<u>20,666</u>	<u>-</u>	<u>20,666</u>	<u>20,868</u>	<u>(202)</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT
COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	2001-2002 Estimates	Adjustments ^(a)	2001-02 Budget	2001-02 Authorized Supplementary ^(b)	2001-02 Authorized Budget	2001-2002 Actual	Unexpended (Over Expended)
5.2 Financial assistance							
5.2.1 Cultural Facilities and Historical Resources Grants							
- operating expense funded by lotteries	38,665	-	38,665	-	38,665	10,980	27,685
5.2.2 Assistance to the Alberta Historical Resources Foundation							
- operating expense funded by lotteries	6,313	-	6,313	-	6,313	6,277	36
	44,978	-	44,978	-	44,978	17,257	27,721
	65,644	-	65,644	-	65,644	38,125	27,519
6 Parks and Protected Areas							
6.0.1 Program support	1,433	-	1,433	-	1,433	317	1,116
6.0.2 Parks policy and planning	3,877	-	3,877	-	3,877	3,458	419
6.0.3 Parks operations							
- operating expense	36,585	-	36,585	-	36,585	36,027	558
- capital investment	2,829	-	2,829	-	2,829	2,137	692
- capital investment funded by lotteries	44,724	-	44,724	-	44,724	800	(800)
						42,739	1,985
Dedicated revenue shortfall (Schedule 2)							
Total voted expenses	\$ 591,160	\$ (1,126)	\$ 590,034	\$ -	\$ 590,034	\$ 549,923	\$ 40,111
Program Operating expense	\$ 479,733	\$ (1,126)	\$ 478,607	\$ -	\$ 478,607	\$ 472,557	\$ 6,050
Program Operating expense funded by lotteries	108,544	-	108,544	-	108,544	74,060	34,484
	588,277	(1,126)	587,151	-	587,151	546,617	40,534
Program capital investment	2,883	-	2,883	-	2,883	2,506	377
Program capital investment funded by lotteries	-	-	-	-	-	800	(800)
	2,883	-	2,883	-	2,883	3,306	(423)
Total voted expenses	\$ 591,160	\$ -	\$ 590,034	\$ -	\$ 590,034	\$ 549,923	\$ 40,111
Statutory Expenses:							
Valuation Adjustments	\$ 819	\$ -	\$ 819	\$ -	\$ 819	\$ 418	\$ 401

^(a) Adjustments include dedicated revenue shortfalls

DEPARTMENT OF COMMUNITY DEVELOPMENT
SCHEDULE OF SALARY AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2002

	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Senior officials:				
Deputy Minister ⁽³⁾⁽⁴⁾	\$ 157,108	\$ 51,737	\$ 208,845	\$ 201,142
Chief Commissioner, Alberta Human Rights and Citizenship Commission	110,054	24,276	134,330	132,353
Executives:				
Assistant Deputy Minister, Community and Citizenship Services ⁽⁴⁾	119,496	36,193	155,689	144,326
Assistant Deputy Minister, Cultural Facilities and Historical Resources ⁽⁴⁾⁽⁷⁾	22,199	4,718	26,917	174,027
Assistant Deputy Minister, Parks and Protected Areas ⁽⁵⁾	108,792	26,500	135,292	-
Assistant Deputy Minister, Community Support Systems ⁽⁵⁾⁽⁸⁾	99,718	28,704	128,423	-
Assistant Deputy Minister, Strategic Corporate Services Division ⁽⁶⁾	124,344	34,273	158,617	89,651

Prepared in accordance with Treasury Board Directive 12/98.

Total salary and benefits relating to a position are disclosed.

- (1) Salary includes regular base pay, bonuses, overtime and lump sum payments.
- (2) Benefits and allowances 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, WCB premiums, professional memberships and tuition fees.
- (3) Automobile provided, no dollar amount included in benefits and allowances figures.
- (4) Benefits and allowances include vacation payments for the Deputy Minister \$6,663 (2001 \$NIL), for the Assistant Deputy Minister, Community and Citizenship Services \$6,261 (2001 \$Nil), for the Assistant Deputy Minister of Cultural Facilities and Historical Resources \$Nil (2001 \$25,537), and for the Assistant Deputy Minister Strategic Corporate Services \$Nil (2001 \$31,383).
- (5) Position created April 1, 2001.
- (6) The incumbent's services are shared with the Department of Seniors which contributes its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule.
- (7) The position was vacant from April 1, 2001 to January 31, 2002.
- (8) The position was vacant from April 1, 2001 to June 30, 2001.

DEPARTMENT OF COMMUNITY DEVELOPMENT
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002
(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 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 in the financial statement at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grants	\$ -	\$ -	\$ 100,714	\$ 11,457
Expenses - Directly Incurred				
Grants	\$ 426,331	\$ 336,080	\$ -	\$ -
Other services	-	-	4,622	589
	<u>426,331</u>	<u>336,080</u>	<u>4,622</u>	<u>589</u>
Capital Assets Transferred			<u>\$ 9</u>	<u>\$ -</u>
Payable to	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from	<u>\$ 406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

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 8.

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Other	<u>\$ 1,547</u>	<u>\$ 1,616</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 17,228	\$ 18,158
Other services	-	-	278	314
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,506</u>	<u>\$ 18,472</u>

DEPARTMENT OF COMMUNITY DEVELOPMENT

ALLOCATED COSTS

FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

Program	2002					2001		
	Expenses ⁽¹⁾	Services Provided	Accommodation Costs	Legal Services	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses
Ministry support services	\$ 5,811	\$ -	\$ 401	\$ 56	\$ 120	\$ -	\$ 6,388	\$ 6,743
Community services	77,354	(914)	819	66	(106)	-	77,219	52,431
Human rights and citizenship	5,599	(155)	172	4	1	-	5,621	3,005
Community Support systems	380,203	-	184	12	69	-	380,468	341,730
Cultural facilities and historical resources	37,848	(478)	14,349	79	(157)	-	51,641	67,752
Parks and protected areas	39,802	-	1,303	61	533	(42)	41,657	41,055
	<u>\$ 546,617</u>	<u>\$ (1,547)</u>	<u>\$ 17,228</u>	<u>\$ 278</u>	<u>\$ 460</u>	<u>\$ (42)</u>	<u>\$ 562,994</u>	<u>\$ 512,716</u>

1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments

Alberta Foundation for the Arts

Financial Statements

March 31, 2002

**ALBERTA FOUNDATION FOR THE ARTS
FINANCIAL STATEMENTS
March 31, 2002**

Auditor's Report

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Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Related Parties Transactions

Schedule 4 – Allocated of Costs



AUDITOR'S REPORT

To the Members of the Alberta Foundation for the Arts

I have audited the statement of financial position of the Alberta Foundation for the Arts as at March 31, 2002 and the statement of operations and the statement of changes in financial position for the year then ended. These financial statements are the responsibility of the Foundation'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 Foundation 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 23, 2002

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Schedule 2)	Actual	Actual
Revenues:			
Internal Government Transfers			
Transfers from the Department of Community Development			
- Operating	\$ 16,104,000	\$ 15,880,000	\$ -
- Film development program	5,000,000	5,000,000	-
Contributions from the Lottery Fund			
- Operating	-	-	16,104,000
- Film development program	-	-	5,000,000
Investment income	275,000	295,208	397,321
Other Revenue			
Miscellaneous	30,000	72,396	51,406
Donations of artworks and cash	100,000	387,822	68,250
	<u>21,509,000</u>	<u>21,635,426</u>	<u>21,620,977</u>
Expenses - Directly Incurred (Note 2b and Schedule 1 and 4)			
Arts promotion	11,276,000	11,506,662	11,372,460
Arts participation	2,061,000	1,848,850	1,856,234
Arts support	1,859,000	1,755,817	1,813,366
Artist development	960,000	1,318,920	956,362
Collection, preservation and display of provincial artworks	132,000	80,113	82,217
Administration	225,000	206,632	199,659
	<u>16,513,000</u>	<u>16,716,994</u>	<u>16,280,298</u>
Film development	5,924,000	5,688,292	5,886,209
	<u>22,437,000</u>	<u>22,405,286</u>	<u>22,166,507</u>
Net operating results	<u>\$ (928,000)</u>	(769,860)	(545,530)
Fund balance at beginning of year		<u>1,448,408</u>	<u>1,993,939</u>
Fund balance at end of year		<u>\$ 678,548</u>	<u>\$ 1,448,409</u>

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

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS:		
Cash (Note 3)	\$ 3,863,168	\$ 2,551,055
Accrued interest	15,207	15,207
Accounts receivable (Note 4)	20,903	1,392
	3,899,278	2,567,654
Long-term investments (Note 5)	466,746	466,746
Capital assets (Note 6)	47,115	55,683
	\$ 4,413,139	\$ 3,090,083

LIABILITIES AND EQUITY:

Accounts payable and accrued liabilities	\$ 3,267,845	\$ 1,174,928
Equity:		
Fund balance	678,548	1,448,409
General reserve (Note 8)	466,746	466,746
	1,145,294	1,915,155
	\$ 4,413,139	\$ 3,090,083

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

ALBERTA FOUNDATION FOR THE ARTS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating transactions:		
Net operating results	\$ (769,860)	\$ (545,530)
Non-cash items:		
Amortization of capital assets	8,568	977
	(761,292)	(544,553)
Decrease in accrued interest	-	31,064
(Increase) decrease in accounts receivable	(19,511)	714
Increase (decrease) in accounts payable and accrued liabilities	2,092,916	(820,824)
Cash provided by operating transactions	1,312,113	(1,333,599)
Investing transactions:		
Purchases of Capital Assets	-	(55,683)
Cash provided by investing transactions	-	(55,683)
Increase in cash	1,312,113	(1,389,282)
Cash at beginning of year	2,551,055	3,940,337
Cash at end of year	\$ 3,863,168	\$ 2,551,055

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

ALBERTA FOUNDATION FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Alberta Foundation for the Arts (Foundation) operates under the authority of the Alberta Foundation for the Arts Act, Chapter A-19, Revised Statutes of Alberta 2000.

The purposes of the Foundation are:

- to support and contribute to the development of literary, performing, visual and media arts in Alberta;
- to provide both individuals and organizations with opportunities to participate in the arts in Alberta;
- to promote the enjoyment of works of art by Alberta artists;
- to oversee the collection, preservation and display of works of art by Alberta artists;
- and
- to encourage artists living in Alberta in their work.

The Foundation 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

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. 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. 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 Alberta Foundation for the Arts, which is part of the Ministry of Community Development and for which the Minister of Community Development 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.

ALBERTA FOUNDATION FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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.

Internal Government Transfers

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

Unrestricted donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

Expenses

Directly Incurred

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

Directly incurred expenses include amortization of capital assets.

Incurred by Others

Services contributed by other entities in support of the Foundation are disclosed in schedule 4.

Artworks

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donated artworks are reported as revenue and expenses at appraised values at the date of acquisition.

Proceeds from the disposition of artworks can only be used to acquire other items to be added to the collection or for the direct care of existing artworks.

ALBERTA FOUNDATION FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 (b) Basis of Financial Reporting (continued)

Assets

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations.

Capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing capital assets is \$5,000.

Investments

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

Liabilities

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

Fair value

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is 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 five years. Interest is earned on the daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates.

ALBERTA FOUNDATION FOR THE ARTS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 3 Cash (continued)

	2002	2001
Cash	\$ 4,029,914	\$ 2,717,801
Less cash appropriated for non-current use	(166,746)	(166,746)
	\$ 3,863,168	\$ 2,551,055

Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 4 Accounts Receivable

	2002		2001	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	\$ 56,363	\$ (35,460)	\$ 20,903	\$ 1,392

Accounts receivable are unsecured and non-interest bearing.

Note 5 Long-Term Investments

	2002			2001	
	Effective Annual Interest Rate	Cost	Market	Cost	Market
Deposits with life insurance companies, maturing in six years ^(a)	5.125%	\$ 300,000	\$300,000	\$300,000	\$300,000
Cash appropriated for non-current use		166,746		166,746	
		\$ 466,746		\$466,746	

(a) The deposits with life insurance companies can be realized prior to maturity dates only with the payment of penalties.

ALBERTA FOUNDATION FOR THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 6 Capital Assets

	Estimated Useful Life	2002		2001	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	4 years	\$ 77,977	\$ (62,977)	\$ 15,000	\$ 20,000
Equipment	10 years	35,683	(3,568)	32,115	35,683
Office furnishings	7 years	5,533	(5,533)	-	-
		<u>\$ 119,193</u>	<u>\$ (72,078)</u>	<u>\$ 47,115</u>	<u>\$ 55,683</u>

Note 7 Artworks

The Alberta Foundation for the Arts actively collects visual artworks, which document the Province's significant visual artistic achievement. The collection is accessible to the public and consists of paintings, sculptures, drawings, photographs, ceramics, glass, fibre and prints. At year end, the collection consisted of approximately 6781 (2001 – 6500) artworks with an approximate value of \$7,072,250 (2001 \$6,466,500). During the year, the Foundation purchased 215 (2001 – 171) artworks by Alberta artists at a total cost of \$216,594 (2001 \$230,029); contributions to the collection included 43 (2001 – 37) artworks with an appraised value of \$387,675 (2001 \$68,250). There was one disposal during the year \$95 (2001 \$NIL).

Note 8 General Reserve

The general reserve has been established by appropriation from the fund balance. The reserve was established for the purpose of retaining an ongoing funding capability. Transfers from the reserve to the operating fund require board approval.

Interest earned on the cash appropriated for the reserve is reported as operating revenue.

Note 9 Commitments

At March 31, 2002, the Foundation had commitments in the amount of \$11,555,518 (2001 \$12,099,163) for grants approved but not expended, pending fulfillment of eligibility conditions.

ALBERTA FOUNDATION FOR THE ARTS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 10 Honoraria

	2002			2001
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board ^(c) :				
Chair	\$ 3,512	\$ -	\$ 3,512	\$ 3,403
Other Members	18,267	-	18,267	22,545
	\$ 21,779	\$ -	\$ 21,779	\$ 25,948

- (a) The Foundation has no employees. Staff of the Department of Community Development administers the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.
- (b) No benefits were provided to Board members.
- (c) Members appointed to the Foundation are paid honoraria for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, to attend out-of-town meetings and for attending to other Foundation duties.

Note 11 Comparative Figures

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

Note 12 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

ALBERTA FOUNDATION FOR THE ARTS
EXPENSES - DIRECTLY INCURRED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget	Actual	Actual
Grants	\$ 21,193,000	\$ 20,933,795	\$ 21,092,522
Supplies and services	454,000	410,415	368,922
Supplies and services from Support Service			
Arrangements with Related Parties (a)	406,000	391,000	379,000
Donations of artworks	100,000	387,675	68,250
Acquisition of artworks	250,000	216,594	230,029
Honoraria (Note 10)	30,000	21,779	25,948
Other	-	35,460	859
Amortization	4,000	8,568	977
	<u>\$ 22,437,000</u>	<u>\$ 22,405,286</u>	<u>\$ 22,166,507</u>

- (a) The Foundation receives financial and administrative services from the Department of Community Development.

ALBERTA FOUNDATION FOR THE ARTS
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

Schedule 2

	2001 - 2002 Estimates	Treasury Board Approval ^(a)	2001 - 2002 Authorized Budget
Revenues:			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 21,104,000	-	\$ 21,104,000
Investment Income	275,000	-	275,000
Other Revenue			-
Miscellaneous	30,000	-	30,000
Donations of artworks	100,000	-	100,000
	21,509,000	-	21,509,000
Expenses - Directly Incurred			
Arts promotion	11,276,000	-	11,276,000
Arts participation	2,061,000	-	2,061,000
Arts support	1,859,000	-	1,859,000
Artist development	960,000	-	960,000
Collection, preservation and display of provincial artworks	132,000	-	132,000
Administration	225,000	-	225,000
	16,513,000	-	16,513,000
Film development	5,924,000	314,000	6,238,000
	22,437,000	314,000	22,751,000
Net operating results	\$ (928,000)	\$ (314,000)	\$ (1,242,000)
Capital Investment	\$ -	\$ -	\$ -

(a) Treasury Board approved a \$314,000 increase for the Film Development Program from the Foundation's fund balance.

(b) The budget was approved by the Board of Directors on June 22, 2001

ALBERTA FOUNDATION FOR THE ARTS
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Foundation 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 Foundation had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Transfers from the Department of Community Development				
- Operating	\$ 15,880,000	\$ -	\$ -	\$ -
- Film development	5,000,000	-	-	-
- Donation of Artworks	174,000			
Transfers from the Lottery Fund				
- Operating	-	-	-	16,104,000
- Film development	-	-	-	5,000,000
	<u>\$ 21,054,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,104,000</u>
Expenses - Directly Incurred				
Grants	\$ 125,000	\$ 92,400	\$ -	\$ -
Other services			37,830	18,689
	<u>\$ 125,000</u>	<u>\$ 92,400</u>	<u>\$ 37,830</u>	<u>\$ 18,689</u>
Payable to	<u>\$ 125,000</u>	<u>\$ 92,400</u>	<u>\$ -</u>	<u>\$ -</u>

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

The Foundation 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	
	2002	2001	2002	2001
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 172,468	\$ 178,618
Legal services	-	-	360	117
Other services	595,829	549,748	-	-
	<u>\$ 595,829</u>	<u>\$ 549,748</u>	<u>\$ 172,828</u>	<u>\$ 178,735</u>

ALBERTA FOUNDATION FOR THE ARTS
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002				2001	
	Expenses ⁽¹⁾	Expenses - Incurred by Others			Total Expenses	Total Expenses
		Accommodation Costs	Legal Services	Other Services		
Arts promotion	11,506,662	\$ 7,333	\$ -	\$ 181,490	\$ 11,695,485	\$ 11,547,011
Arts participation	1,848,850	4,306	-	144,804	1,997,960	1,994,597
Arts support	1,755,817	3,799	-	85,504	1,845,120	1,897,180
Artist development	1,318,920	4,523	-	109,525	1,432,968	1,061,242
Collection, preservation and display of provincial artworks	80,113	149,533	-	13,204	242,850	248,276
Administration	206,632	885	360	14,413	222,290	214,037
Film development	5,688,292	2,090	-	46,889	5,737,271	5,932,647
	<u>\$ 22,405,286</u>	<u>\$ 172,469</u>	<u>\$ 360</u>	<u>\$ 595,829</u>	<u>\$ 23,173,944</u>	<u>\$ 22,894,990</u>

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

The Alberta Historical Resources Foundation

Financial Statements

March 31, 2002

**THE ALBERTA HISTORICAL RESOURCES FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2002**

Auditor's Report

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Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 - Budget

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



AUDITOR'S REPORT

To the Directors of the Alberta Historical Resources Foundation

I have audited the statement of financial position of the Alberta Historical Resources Foundation 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 Foundation'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 Foundation 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

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002			2001	
	Budget (Schedule 2)	Actual		Total	Total
		Operating Fund	Restricted Fund		
Revenues:					
Internal Government transfers					
Transfer from Department of Community Development	\$ 6,313,000	\$ 6,277,000	\$ -	\$ 6,277,000	\$ -
Transfers from the Lottery Fund	-	-	-	-	5,913,000
Investment income	248,000	136,101	995	137,096	202,965
Other revenue	6,000	32,441	-	32,441	26,528
	<u>6,567,000</u>	<u>6,445,542</u>	<u>995</u>	<u>6,446,537</u>	<u>6,142,493</u>
Expenses - Directly incurred (Note 2(b) and Schedule 1 and 4)					
Support to Provincial heritage organizations:					
Alberta Museums Association	1,200,000	1,200,000	-	1,200,000	1,200,000
Archives Society of Alberta	100,000	100,000	-	100,000	100,000
Other	78,000	78,450	-	78,450	78,450
	<u>1,378,000</u>	<u>1,378,450</u>	<u>-</u>	<u>1,378,450</u>	<u>1,378,450</u>
Glenbow-Alberta Institute	2,563,000	2,563,000	-	2,563,000	2,563,000
Heritage preservation projects	1,022,000	747,214	-	747,214	978,939
Main Street program	1,120,000	1,138,340	-	1,138,340	751,082
Heritage awareness projects	350,000	446,126	-	446,126	512,313
Roger Soderstrom Fellowship	5,000	-	3,343	3,343	4,282
Administration	129,000	161,573	-	161,573	129,623
	<u>6,567,000</u>	<u>6,434,703</u>	<u>3,343</u>	<u>6,438,046</u>	<u>6,317,689</u>
Net operating results	<u>\$ -</u>	10,839	(2,348)	8,491	(175,196)
Fund balances at beginning of year		<u>3,082,291</u>	<u>26,152</u>	<u>3,108,443</u>	<u>3,283,639</u>
Fund balances at end of year		<u>\$ 3,093,130</u>	<u>\$ 23,804</u>	<u>\$ 3,116,934</u>	<u>\$ 3,108,443</u>

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

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS		
Current assets:		
Cash (Note 3)	\$ 3,127,204	\$ 3,098,981
Inventory	5,581	5,012
Accounts receivable	5,625	5,161
	3,138,410	3,109,154
Cash appropriated for non-current uses (Note 3 and Note 7)	50,000	50,000
Capital assets (Note 4)	-	316
	\$ 3,188,410	\$ 3,159,470
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 21,476	\$ 1,027
Equity:		
Fund balances:		
Unrestricted operating fund	3,093,130	3,082,291
Restricted funds (Note 6)	23,804	26,152
	3,116,934	3,108,443
Reserve (Note 7)	50,000	50,000
	3,166,934	3,158,443
	\$ 3,188,410	\$ 3,159,470

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

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating transactions:		
Net operating results	\$ 8,491	\$ (175,196)
Non-cash items:		
Amortization of capital assets	316	474
	8,807	(174,722)
Decrease (increase) in inventory	(569)	514
(Increase) in accounts receivable	(464)	(4,305)
Increase (decrease) in accounts payable and accrued liabilities	20,449	(59,609)
	28,223	(238,122)
Cash provided by (used for) operating transactions		
	28,223	(238,122)
Increase (decrease) in cash		
	3,098,981	3,337,103
Cash at beginning of year		
	\$ 3,127,204	\$ 3,098,981
Cash at end of year		

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

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Alberta Historical Resources Foundation (Foundation) operates under the authority of the Historical Resources Act, Chapter H-9, Revised Statutes of Alberta 2000.

The purpose of the Foundation is to assist in the preservation and interpretation of Alberta's heritage primarily through the encouragement and sponsorship of community heritage initiatives.

The Foundation 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

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. 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. 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 Foundation, which is part of the Ministry of Community Development and for which the Minister of Community Development 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

Fund Accounting

Transactions are grouped, for reporting purposes, into funds in accordance with specified activities or objectives. These funds are described as follows:

- The operating fund accounts for the revenues and expenses associated with the primary activities of the Foundation.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting (continued)

Fund Accounting (continued)

- Restricted funds account for contributions received with imposed conditions on how the funds are to be used, interest earned and the expenses associated with the specified activities.

Revenue

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.

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

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 Foundation has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include amortization of capital assets.

Incurred by Others

Services contributed by other entities in support of the Foundation operations are disclosed in schedule 4.

Assets

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations as well as inventories held for resale.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting (continued)

Assets (continued)

Capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing capital assets is \$5,000.

Collections of historical assets held by the Foundation are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Donations of collection items are reported as revenue and expenses at their fair value when fair value can be determined.

Liabilities

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

Fair value

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is 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 five years. Interest is earned on the Foundation'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.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 4 Capital Assets

		<u>2002</u>		<u>2001</u>	
	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	7 years	\$ 5,290	\$ (5,290)	\$ -	\$ 316

Note 5 Collections

The Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and books of historical interest to the Province of Alberta. During the year, the Foundation did not acquire or dispose of any historical assets.

Note 6 Restricted Funds

	<u>2002</u>	<u>2001</u>
Roger Soderstrom Fellowship fund ^(a)	\$ 23,804	\$ 26,152

(a) The Roger Soderstrom Fellowship fund is a scholarship designed to encourage professional development and advanced studies in the field of heritage conservation in Alberta.

Note 7 Reserve

The reserve has been established from the operating fund for the purpose of retaining an ongoing funding capability. Transfers from the reserve to the operating fund require board approval.

Interest earned on the cash appropriated for the reserve is reported as operating revenue.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 8 Honoraria

	2002			2001
	Benefits and			
	Honoraria ^(a)	Allowances ^(b)	Total	Total
Board ^(c) :				
Chair	\$ 4,345	\$ -	\$ 4,345	\$ 1,772
Other members (10)	23,629	-	23,629	15,756
	\$ 27,974	\$ -	\$27,974	\$ 17,528

^(a) The Foundation has no employees. Staff of the Department of Community Development administers the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.

^(b) No benefits were provided to Board members.

^(c) Members appointed to the Foundation are paid for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, out-of-town meetings and for attending to other Foundation duties.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 9 Commitments

At the year-end, the Foundation had the following grant commitments:

	2002	2001
Heritage preservation ^(a)	\$ 1,399,979	\$ 1,391,200
Heritage awareness ^(a)		
2002 - 2003	521,528	705,423
Main Street program ^(b)		
2001 - 2002	-	580,000
2002 - 2003	485,000	280,000
2003 - 2004	170,000	75,000
2004 - 2005	40,000	-
Provincial Heritage Organizations		
2001 - 2002	-	3,863,000
	\$ 2,616,507	\$ 6,894,623

^(a) These commitments are for grants approved as at March 31, 2002 but not disbursed because certain conditions were still to be met by applicants. Under this program, grant payments to successful applicants are provided only after completion or partial completion of the project, submission of invoices or receipts, and approval of eligible expenditures.

^(b) These are contractual commitments to pay organizations in the periods indicated, subject to satisfactory progress of the projects.

Note 10 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
EXPENSES DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget	Actual	Actual
Grants	\$ 3,755,000	\$ 3,377,535	\$ 3,395,099
Supplies and services	2,619,000	2,854,221	2,736,588
Supplies and services from support services arrangements with related parties ^(a)	178,000	178,000	168,000
Honoraria (Note 8)	15,000	27,974	17,528
Amortization	-	316	474
	<u>\$ 6,567,000</u>	<u>\$ 6,438,046</u>	<u>\$ 6,317,689</u>

(a) The Foundation receives financial and program related administrative services from the Department of Community Development.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001 - 2002 Estimates	Treasury Board Approval	2001 - 2002 Authorized Budget
Revenues:			
Internal Government transfers			
Transfer from Department of Community Development	\$ 6,313,000	\$ -	\$ 6,313,000
Investment income	248,000	-	248,000
Other revenue	6,000	-	6,000
	<u>6,567,000</u>	<u>-</u>	<u>6,567,000</u>
Expenses:			
Support to Provincial heritage organizations	1,378,000	-	1,378,000
Glenbow-Alberta Institute	2,563,000	-	2,563,000
Heritage preservation projects	1,022,000	-	1,022,000
Main Street program	1,120,000	-	1,120,000
Heritage awareness projects	350,000	-	350,000
Roger Soderstrom Fellowship	5,000	-	5,000
Administration	129,000	-	129,000
	<u>6,567,000</u>	<u>-</u>	<u>6,567,000</u>
Net operating results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Board of Directors on May 3, 2001.

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Foundation 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 Foundation had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenue:				
Transfer from Department of Community Development	\$ 6,277,000	\$ -	\$ -	\$ -
Transfers from the Lottery Fund	-	-	-	5,913,000
	<u>\$ 6,277,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,913,000</u>
Expenses - directly incurred:				
Grants	\$ 25,000	\$ 49,920	\$ -	\$ -
Other services	-	-	3,338	1,254
	<u>\$ 25,000</u>	<u>\$ 49,920</u>	<u>\$ 3,338</u>	<u>\$ 1,254</u>

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

The Foundation 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	
	2002	2001	2002	2001
Expenses - incurred by others:				
Accommodation	\$ -	\$ -	\$ 9,434	\$ 9,932
Other services	300,159	252,123	-	813
	<u>\$ 300,159</u>	<u>\$ 252,123</u>	<u>\$ 9,434</u>	<u>\$ 10,745</u>

THE ALBERTA HISTORICAL RESOURCES FOUNDATION
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002				2001
	Expenses ⁽¹⁾	Expenses - incurred by others			Total Expenses
		Accommodation Costs	Other Services	Total Expenses	
Support to Provincial heritage organizations	\$ 1,378,450	\$ -	\$ -	\$ 1,378,450	\$ 1,378,450
Glenbow-Alberta Institute	2,563,000	-	-	2,563,000	2,563,000
Heritage preservation projects	747,214	-	-	747,214	978,939
Main Street program	1,138,340	3,502	56,512	1,198,354	782,751
Heritage awareness projects	446,126	-	-	446,126	512,313
Roger Soderstrom Fellowship	3,343	-	-	3,343	4,282
Administration	161,573	5,932	243,647	411,152	360,822
	<u>\$ 6,438,046</u>	<u>\$ 9,434</u>	<u>\$ 300,159</u>	<u>\$ 6,747,639</u>	<u>\$ 6,580,557</u>

⁽¹⁾ Expenses - directly incurred is per Statement of Operations.

Alberta Sport, Recreation, Parks and Wildlife Foundation

Financial Statements

March 31, 2002

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
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 - Directly Incurred Detailed by Object

Schedule 2 Budget

Schedule 3 Related Party Transactions

Schedule 4 Allocated Costs



AUDITOR'S REPORT

To the Members of Alberta Sport, Recreation, Parks and Wildlife Foundation

I have audited the statement of financial position of Alberta Sport, Recreation, Parks and Wildlife Foundation 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 Foundation'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.

The Foundation is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policy that is an exception from Canadian generally accepted accounting principles. During the year, the Foundation entered into agreements to lease certain equipment that meets the definition of a leased capital asset. However, the Foundation recorded operating transactions instead of capital leases. It is estimated that the effect of this departure from Canadian generally accepted accounting principles is the overstatement of expenses by \$22,944 for the year ended March 31, 2002, and the understatement of assets by \$305,800 and the understatement of liabilities by \$282,856 at March 31, 2002.

In my opinion, except for the effect of the matters discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation 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 23, 2002

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002				2001	
	Budget (Schedule 2)	Operating Fund	Restricted Fund	Endowment Fund	Total Actual	Total Actual
Revenues						
Internal Government Transfers						
Alberta Community Development Lottery Fund	\$ 15,035,000	\$ 15,087,000	\$ -	\$ -	\$ 15,087,000	\$ -
Alberta Foundation for the Arts	125,000	125,000	-	-	125,000	92,400
Alberta Human Resources and Employment	-	27,000	-	-	27,000	27,000
Investment income	230,000	175,003	86,288	-	261,291	212,189
Fees, Permits and Licences	110,000	111,117	-	-	111,117	68,947
Other Revenue						
Donations	2,005,000	248,359	219,409	6,500	474,268	526,282
Percy Page Centre sales (Note 11)	565,000	429,023	-	-	429,023	485,822
Refunds of expenses	75,000	8,860	-	-	8,860	59,342
Miscellaneous Revenue	55,000	67,938	2,276	-	70,214	53,852
	<u>18,200,000</u>	<u>16,279,300</u>	<u>307,973</u>	<u>6,500</u>	<u>16,593,773</u>	<u>16,410,834</u>
Expenses - Directly Incurred (Note 2b and Schedules 1 and 4)						
Provincial Programs	10,819,000	9,711,322	71,500	-	9,782,822	9,395,845
Alberta & Interprovincial Games	2,251,000	2,151,339	56,171	-	2,207,510	2,825,966
Municipal Recreation/ Tourism Areas Program	1,550,000	1,512,400	-	-	1,512,400	1,520,000
Active Lifestyles	1,310,000	1,306,438	-	-	1,306,438	1,308,522
Provincial & Regional Development Program	545,000	594,629	5,000	-	599,629	663,635
Percy Page Centre (Note 11)	486,000	493,279	-	-	493,279	491,126
Other Initiatives (Note 14)	146,000	48,603	362,376	-	410,979	107,541
Administration	347,000	306,120	6,106	-	312,226	306,336
Parks & Wildlife Ventures	752,000	128,264	114,916	-	243,180	323,526
	<u>18,206,000</u>	<u>16,252,394</u>	<u>616,069</u>	<u>-</u>	<u>16,868,463</u>	<u>16,942,497</u>
Net operating results (Note 15)	<u>\$ (6,000)</u>	26,906	(308,096)	6,500	(274,690)	(531,663)
Transfer from reserve (Note 9)		-	-	-		536,751
Changes in fund balances		26,906	(308,096)	6,500	(274,690)	5,088
Fund balances at beginning of year		286,680	3,890,534	404,170	4,581,384	4,576,296
Interfund transfers (Note 10)		(54,562)	54,562	-	-	-
Fund balances at end of year		<u>\$ 259,024</u>	<u>\$ 3,637,000</u>	<u>\$ 410,670</u>	<u>\$ 4,306,694</u>	<u>\$ 4,581,384</u>

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

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS:		
Current:		
Cash and short-term investments (Note 3)	\$ 2,772,108	\$ 2,407,348
Accounts receivable (Note 4)	205,557	183,103
Prepaid expenses and inventory	34,592	19,835
	3,012,257	2,610,286
Capital assets (Note 5)	2,161,804	2,167,910
	\$ 5,174,061	\$ 4,778,196
LIABILITIES AND FUND BALANCES:		
Current:		
Accounts payable and accrued liabilities	\$ 867,367	\$ 196,812
Fund balances:		
Operating	259,024	286,680
Endowment (Note 7)	410,670	404,170
Restricted (Note 8)	3,637,000	3,890,534
	4,306,694	4,581,384
	\$ 5,174,061	\$ 4,778,196

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

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>	<u>2001</u>
Operating transactions:		
Net operating results	\$ (274,690)	\$ (531,663)
Non-cash items		
Amortization	<u>6,106</u>	<u>8,476</u>
	(268,584)	(523,187)
Decrease (increase) in accounts receivable	(22,454)	16,474
Decrease (increase) in prepaid expenses and inventory	(14,757)	13,398
Increase (decrease) in accounts payable and accrued liabilities	670,555	(307,573)
Increase (decrease) in funds held on behalf of others	<u>-</u>	<u>(3,300)</u>
Cash provided (used) by operating transactions	<u>364,760</u>	<u>(804,188)</u>
Investing transactions:		
Decrease (increase) in cash appropriated for non-current use	<u>-</u>	<u>536,751</u>
Cash provided (used) by investing transactions	<u>-</u>	<u>536,751</u>
Net cash provided (used)	364,760	(267,437)
Cash at beginning of year	<u>2,407,348</u>	<u>2,674,785</u>
Cash at end of year	<u>\$ 2,772,108</u>	<u>\$ 2,407,348</u>

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

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Alberta Sport, Recreation, Parks and Wildlife Foundation (Foundation) operates under the authority of the Alberta Sport, Recreation, Parks and Wildlife Foundation Act, Chapter A-34, Revised Statutes of Alberta 2000.

The purpose of the Foundation is to support enhancement of sport, recreation, parks and wildlife programs for all Albertans.

The Foundation is a Crown corporation of the Government of Alberta and as such has a tax-exempt status.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. 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. 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 Alberta Sport, Recreation, Parks and Wildlife Foundation, which is part of the Ministry of Community Development and for which the Minister of Community Development 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

Fund Accounting

Transactions are grouped, for accounting and reporting purposes, into funds in accordance with specified activities or objectives. These funds are described as follows:

- The operating fund accounts for revenues and expenses associated with the primary activities of the Foundation.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting (continued)

Fund Accounting (continued)

- The restricted fund accounts for non-government contributions received for which donors have specified the purpose, restricted interest earned, related expenses incurred, and funds restricted by the Board of Directors.
- The endowment fund accounts for contributions received under various agreements with sponsors and matching funds provided by the Foundation. Interest earned on the existing endowments can only be used to fund various sport programs, and are therefore recorded as part of the restricted fund. The principal must remain intact.

Revenues

All revenues are reported on the accrual method of accounting.

Cash donations are reported when received. Donations of materials and services are recorded at fair value, provided such materials and services would be purchased and paid for by the Foundation if not received as donations.

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 agency has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include amortization of capital assets.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurred by Others

Services contributed by other entities in support of the Foundation's operations are disclosed in Schedule 4.

Assets

Financial assets of the Foundation are limited to financial claims, such as advances to and receivables from other organizations and individuals as well as inventories held for resale.

Capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing all other capital assets is \$5,000. All land is capitalized.

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

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donated artworks are reported as revenue and expenses at appraised values at the date of acquisition.

Liabilities

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

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

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. Alberta Finance manages CCITF 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 five years. Interest is earned on the Foundation'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

	2002		2001	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	\$ 76,008	\$ -	\$ 76,008	\$ 88,589
Refunds of expenses	125,000	-	125,000	92,400
Other	4,549	-	4,549	2,114
	\$ 205,557	\$ -	\$ 205,557	\$ 183,103

Accounts receivable are unsecured and non-interest bearing.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 5 Capital Assets

	Estimated Useful Life	2002		2001	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, unrestricted	N/A	\$ 181,300	\$ -	\$ 181,300	\$ 181,300
Land, use restricted by donors *	N/A	1,765,199	-	1,765,199	1,765,199
Buildings, use restricted by donor *	40 years	244,234	(28,929)	215,305	221,411
		<u>\$ 2,190,733</u>	<u>\$ (28,929)</u>	<u>\$ 2,161,804</u>	<u>\$ 2,167,910</u>

* Restricted for use in the Parks and Wildlife Ventures program.

Note 6 Artworks

The Foundation has a collection of artworks consisting of 25 (2001 – 27) prints of the Waterfowl of North America Collection #1250 with an approximate value of \$7,297 (2001 - \$7,934). During the year, there were 2 (2001 – nil) dispositions. The proceeds received of \$275 were donated to the Lesser Slave Lake Bird Observatory for charitable purposes.

Note 7 Endowment Fund

The endowment fund balance comprises:

	2002	2001
Externally restricted contributions	\$ 212,760	\$ 206,260
Internally restricted matching funds	197,910	197,910
	<u>\$ 410,670</u>	<u>\$ 404,170</u>

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 8 Restricted Fund

The restricted fund balance comprises:

	2002	2001
Investment in land and building (a)	\$ 1,980,504	\$ 2,009,432
Externally restricted funds	1,559,495	1,867,417
Internally restricted funds	97,001	13,685
	\$ 3,637,000	\$ 3,890,534

(a) The land and building are governed by restrictions that require the Foundation to use these assets for its programs.

Note 9 Reserves

	2002	2001
Balance at beginning of year	\$ -	\$ 536,751
Transfers to operating fund to finance: The Municipal Recreation / Tourism Areas program	-	(536,751)
Balance at end of year	\$ -	\$ -

The reserve was established by appropriation from the operating fund balance for the purpose of retaining an ongoing funding capability and has now been fully depleted.

Note 10 Interfund Transfer

The Board of Directors approved an interfund transfer from the operating fund to the restricted fund representing certain Parks and Wildlife Ventures transactions and endowment interest transactions that have been either externally or internally restricted.

Note 11 Percy Page Centre

The Foundation operates the Percy Page Centre, Edmonton, to provide accommodation and office services to non-profit organizations. These organizations are charged for their use of office equipment, supplies and print shop facilities.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 12 Honoraria

	2002			2001
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board: ^(c)				
Chair	\$ 2,939	-	\$ 2,939	\$ 1,812
Other members (9)	10,405	-	10,405	11,593
	\$ 13,344	-	\$ 13,344	\$ 13,405

(a) The Foundation has no employees. Staff of the Department of Community Development administer the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.

(b) No benefits were provided to board members.

(c) Members appointed to the Foundation are paid honoraria for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, to attend out-of-town meetings and for attending to other Foundation duties.

Note 13 Commitments

At March 31, 2002, the Foundation has the following commitments:

	2002	2001
Service contracts	\$ 5,711,912	\$ 2,215,718
Long-term leases (a)	865,853	268,097
	\$ 6,577,765	\$ 2,483,815

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 13 Commitments (continued)

(a) The Percy Page Centre leases photocopiers, fax machines and other equipment.

The aggregate amounts payable for these leases are as follows:

	2002		2001
2001-2002	\$ -		\$ 77,720
2002-2003	154,650		63,459
2003-2004	152,195		63,459
2004-2005	148,867		63,459
2005-2006	144,892		-
2006-2007	122,643		-
Thereafter	142,606		-
	\$ 865,853		\$ 268,097

Note 14 Other Initiatives

Other initiatives include expenses of \$327,960 that the Foundation will pay to the original donors or designated organizations once both parties have signed the Appointment of Trustee agreements.

Note 15 Budget

The Minister of Community Development approved a deficit of \$6,000 on April 10, 2001 and an additional \$400,000 on February 27, 2002. The revised deficit of \$406,000 is disclosed in the 2002-03 Government and Lottery Fund Estimates.

Note 16 Comparative Figures

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

Note 17 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Grants	\$ 14,428,000	\$ 12,934,883	\$ 13,747,654
Supplies & services	2,467,000	2,623,830	1,942,962
Supplies & services from support services			
Arrangements with related parties (a)	1,290,000	1,290,000	1,230,000
Honoraria (Note 12)	15,000	13,344	13,405
Amortization of capital assets	6,000	6,106	8,476
Other	-	300	-
	<u>\$ 18,206,000</u>	<u>\$ 16,868,463</u>	<u>\$ 16,942,497</u>

(a) The Foundation receives financial and administrative services from the Department of Community Development.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001-2002 Budget	Treasury Board Authorizations	2001-2002 Authorized Budget
Revenues			
Internal Government Transfers			
Alberta Community Development	\$ 15,035,000	\$ -	\$ 15,035,000
Alberta Foundation for the Arts	125,000	-	125,000
Investment income	230,000	-	230,000
Fees, Permits and Licences	110,000	-	110,000
Other Revenue			
Donations	2,005,000	-	2,005,000
Percy Page Centre sales	565,000	-	565,000
Refunds of expenses	75,000	-	75,000
Miscellaneous Revenue	55,000	-	55,000
	<u>18,200,000</u>	<u>-</u>	<u>18,200,000</u>
Expenses - Directly Incurred			
Provincial Programs	10,819,000	-	10,819,000
Alberta & Interprovincial Games	2,251,000	-	2,251,000
Municipal Recreation/Tourism Areas Program	1,550,000	-	1,550,000
Active Lifestyles	1,310,000	-	1,310,000
Provincial & Regional Development Program	545,000	-	545,000
Percy Page Centre	486,000	-	486,000
Other Initiatives	146,000	-	146,000
Administration	347,000	-	347,000
Parks & Wildlife Ventures	752,000	-	752,000
	<u>18,206,000</u>	<u>-</u>	<u>18,206,000</u>
Net operating results (Note 15)	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>
Capital investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Board of Directors on January 26, 2001.

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Foundation 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 Foundation had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	2002	2001	2002	2001
Revenues				
Internal Government Transfers				
Community Development	\$ 15,087,000	\$ -	\$ -	\$ -
Lottery Fund	-	-	-	14,885,000
Alberta Foundation for the Arts	125,000	92,400	-	-
Human Resources & Employment	-	-	27,000	27,000
	<u>\$ 15,212,000</u>	<u>\$ 92,400</u>	<u>\$ 27,000</u>	<u>\$ 14,912,000</u>
Expenses - Directly Incurred				
Other Services	\$ -	\$ -	\$ 44,586	\$ 22,083
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,586</u>	<u>\$ 22,083</u>
Receivable from				
Alberta Foundation for the Arts	\$ 125,000	\$ 92,400	\$ -	\$ -
	<u>\$ 125,000</u>	<u>\$ 92,400</u>	<u>\$ -</u>	<u>\$ -</u>

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

The Foundation 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>	
	2002	2001	2002	2001
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 635,686	\$ 531,470
Legal	21,039	8,077	31,011	18,000
Other Services	285,537	447,979	-	-
	<u>\$ 306,576</u>	<u>\$ 456,056</u>	<u>\$ 666,697</u>	<u>\$ 549,470</u>

ALBERTA SPORT, RECREATION, PARKS AND WILDLIFE FOUNDATION
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	Expenses - Incurred by Others					2002	2001
	Expenses (1)	Accommodation Costs	Legal Services	Other Services	Total Expenses	Total Expenses	Total Expenses
Provincial Programs	\$ 9,782,822	\$ 4,764	\$ -	\$ 91,373	\$ 9,878,959	\$ 9,878,959	\$ 9,542,702
Alberta & Interprovincial Games	2,207,510	81,856	-	102,794	2,392,160	2,392,160	2,990,177
Municipal Recreation/Tourism Areas	1,512,400	795	-	14,277	1,527,472	1,527,472	1,543,642
Active Lifestyles	1,306,438	884	-	11,421	1,318,743	1,318,743	1,326,893
Provincial & Regional Development	599,629	44	-	2,855	602,528	602,528	668,115
Percy Page Centre	493,279	544,737	-	11,421	1,049,437	1,049,437	1,029,439
Other Initiatives (Note 14)	410,979	44	52,050	2,855	465,928	465,928	138,098
Administration	312,226	1,811	-	31,409	345,446	345,446	357,196
Parks & Wildlife Ventures	243,180	751	-	17,132	261,063	261,063	351,761
	<u>\$ 16,868,463</u>	<u>\$ 635,686</u>	<u>\$ 52,050</u>	<u>\$ 285,537</u>	<u>\$ 17,841,736</u>	<u>\$ 17,841,736</u>	<u>\$ 17,948,023</u>

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

The Government House Foundation

Financial Statements

March 31, 2002

**THE GOVERNMENT HOUSE FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2002**

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Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



AUDITOR'S REPORT

To the Members of Government House Foundation

I have audited the statement of financial position of the Government House Foundation 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 Foundation'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 Foundation 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 23, 2002

THE GOVERNMENT HOUSE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget	Actual	Actual
Revenues			
Internal Government Transfers:			
Transfers from The Alberta Historical Resources Foundation	\$ 25,000	\$ 25,000	\$ 25,000
Interest	2,000	3,854	5,514
Donations of artworks and collections	-	94,795	2,637
Donations	-	100	500
Other revenue	-	-	8,224
	27,000	123,749	41,875
Expenses - Directly Incurred (Note 2b and Schedule 1 & 3)			
Collection Acquisitions	35,000	118,795	9,862
Administration	5,000	6,563	7,674
Public Relations	1,000	5,326	2,062
Board Expenses	2,000	3,909	9,559
Conservation of artworks and collections	3,000	1,908	2,030
Insurance	2,000	1,853	1,880
	48,000	138,354	33,067
Net operating results	\$ (21,000)	(14,605)	8,808
Fund balance at beginning of year		101,690	92,882
Fund balance at end of year		\$ 87,085	\$ 101,690

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

THE GOVERNMENT HOUSE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS:		
Cash (Note 3)	\$ 87,552	\$ 102,226
Accounts receivable	63	95
	\$ 87,615	\$ 102,321
LIABILITIES AND EQUITY:		
Accounts payable and accrued liabilities	\$ 530	\$ 631
Equity:		
Fund balance	87,085	101,690
	\$ 87,615	\$ 102,321

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

THE GOVERNMENT HOUSE FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating Transactions:		
Net operating results	\$ (14,605)	\$ 8,808
Decrease (increase) in accounts receivable	32	(83)
Increase (decrease) in accounts payable and accrued liabilities	(101)	211
Cash provided by operating transactions	(14,674)	8,936
Cash at beginning of year	102,226	93,290
Cash at end of year	\$ 87,552	\$ 102,226

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

THE GOVERNMENT HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Government House Foundation (Foundation) operates under the authority of the Government House Act, Chapter G-9, Revised Statutes of Alberta 2000.

The purpose of the Foundation is:

- to advise the Minister on the preservation of Government House as an historic site and building;
- to inform and stimulate the interest of the public in the historical and architectural development of Government House; and
- to solicit and receive, by gift, bequest, devise, transfer or otherwise any personal property for use or display in Government House.

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

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. 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. 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.

THE GOVERNMENT HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(a) Reporting Entity

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

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Foundation operations are disclosed in schedule 4.

Artworks

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donated artworks are reported as revenue and expenses at appraised values at the date of acquisition.

Proceeds from the disposition of artworks can only be used to acquire other items to be added to the collection or for the direct care of existing artworks.

THE GOVERNMENT HOUSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Assets

Financial assets of the Foundation are limited to receivables from other organizations.

Liabilities

Liabilities represent all financial claims payable by the Foundation at year-end.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. The CCITF is 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 five years. Interest is earned on the Foundation's daily cash balance at the average rate of the CCITF 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 Artworks and Collections

The Government House Foundation actively collects various significant items pertaining to the history of Government House. The collection is accessible to the public and consists of paintings, drawings, prints, sculptures, furnishings, books and silverware. The majority of the collection is used or displayed in Government House, while some items are on loan to other provincial institutions.

At March 31, 2002, the collection consisted of approximately 378 pieces of artworks and other items, (2001 – 250), with an approximate value of \$948,192, (2001 - \$829,396). During the year, the Foundation purchased artworks at a total cost of \$24,000, (2001 - \$7,225). Contributions to the collections included 50 items with an appraised value of \$94,795, (2001 - \$2,637). There were no disposals during the year.

Note 5 Approval of Financial Statements

The financial statements were approved by the Board of Directors.

THE GOVERNMENT HOUSE FOUNDATION
EXPENSES DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Supplies and Services:			
Materials and supplies	\$ 37,400	\$ 120,488	\$ 11,983
Contract services	5,600	10,743	9,647
Hosting	3,000	4,583	9,053
General office	2,000	2,529	2,207
Travel	-	11	177
	<u>\$ 48,000</u>	<u>\$ 138,354</u>	<u>\$ 33,067</u>

THE GOVERNMENT HOUSE FOUNDATION
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001-2002 Estimates	Treasury Board Approval	2001-2002 Authorized Budget
Revenues			
Internal Government Transfers	\$ 25,000	\$ -	\$ 25,000
Investment Income	2,000	-	2,000
Other Revenue		95,000	95,000
	<u>27,000</u>	<u>95,000</u>	<u>\$ 122,000</u>
Expenses - Directly incurred			
Collection Acquisitions	35,000	95,000	130,000
Conservation	3,000	-	3,000
Board Expenses	2,000	-	2,000
Insurance	2,000	-	2,000
Public Relations	1,000	-	1,000
Administration	5,000	-	5,000
	<u>48,000</u>	<u>-</u>	<u>143,000</u>
Net operating results	<u>\$ (21,000)</u>	<u>\$ 95,000</u>	<u>\$ (21,000)</u>

- (a) Treasury Board approved a \$95,000 surplus neutral increase to allow the Government House Foundation to accept a donation of artwork.

THE GOVERNMENT HOUSE FOUNDATION
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Foundation 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 Foundation had the following transactions with related parties recorded in the financial statements 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:				
Transfers from the Alberta Historical Resources Foundation	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses - Directly incurred				
Other services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,853</u>	<u>\$ 1,880</u>

The Foundation 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				
Accommodation	\$ -	\$ -	\$ 553	\$ 569
Other services	<u>6,654</u>	<u>7,605</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,654</u>	<u>\$ 7,605</u>	<u>\$ 553</u>	<u>\$ 569</u>

THE GOVERNMENT HOUSE FOUNDATION
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002			2001	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses	Total Expenses
		Accommodation	Other Services		
Collection Acquisitions	\$ 118,795	\$ 475	\$ 5,713	\$ 124,983	\$ 11,822
Administration	6,563	26	316	6,905	9,718
Public Relations	5,326	21	256	5,603	2,633
Board Expenses	3,909	16	188	4,113	12,096
Conservation of artworks and collections	1,908	8	92	2,008	2,600
Insurance	1,853	7	89	1,949	2,371
	<u>\$ 138,354</u>	<u>\$ 553</u>	<u>\$ 6,654</u>	<u>\$ 145,561</u>	<u>\$ 41,240</u>

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

The Historic Resources Fund

Financial Statements

March 31, 2002

**THE HISTORIC RESOURCES FUND
FINANCIAL STATEMENTS
MARCH 31, 2002**

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Schedule 3 - Budget

Schedule 4 - Related Party Transactions

Schedule 5 - Allocated Costs



AUDITOR'S REPORT

To the Minister of Community Development

I have audited the statement of financial position of the Historic Resources Fund 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 Fund'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.

The Fund is required to follow the corporate government accounting policies and reporting practices established by Alberta Finance, including the following policies that are departures from Canadian generally accepted accounting principles:

Recording of surpluses

In prior years, the Ministry operated some of its facilities with the assistance of volunteer societies. The Ministry's revenues, expenses, and surpluses generated by the operation of these government-owned facilities were excluded from the Fund's financial statements. As of March 31, 2002, accumulated surpluses of approximately \$385,000 have been returned to the Fund and recorded as deferred contributions instead of being recorded as part of the fund balance. The effect of this departure from Canadian generally accepted accounting principles is to overstate liabilities and understate the fund balance by approximately \$385,000 at March 31, 2002.

The Fund has not recorded the Ministry's surpluses, generated by volunteer societies in operating government-owned facilities and estimated to be at least \$223,000, that have not been returned to the Fund. The effect of this departure from Canadian generally accepted accounting principles is to understate assets and the fund balance by at least \$223,000.

Capital assets

Capital items have been expensed and not recognized as assets in the accompanying statement of financial position. Consequently, a significant amount of resources available to the Fund for future use has been recorded as if it had been consumed. It is estimated that assets have been understated by \$293,333 at March 31, 2002 and expenses have been overstated by \$206,286 for the year ended March 31, 2002.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Fund 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 23, 2002

HISTORIC RESOURCES FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Schedule 3)	Actual	Actual
Revenues: (Schedule 1)			
Interpretive Programs and Services	\$ 3,156,000	\$ 3,695,564	\$ 3,280,276
Promotion and Presentation	4,530,000	2,108,709	1,570,609
Donations	-	624,841	538,203
Interest	45,000	158,677	113,020
Other Initiatives	149,000	123,285	25,961
Provincial Archives Services	100,000	114,863	151,815
Restoration	30,000	20,367	24,695
Miscellaneous	-	38,461	10,828
	<u>8,010,000</u>	<u>6,884,767</u>	<u>5,715,407</u>
Expenses: Directly incurred (Note 2b, Schedule 2 & 5)			
Interpretive Programs and Services	3,156,000	3,379,907	2,794,199
Promotion and Presentation	4,575,000	2,895,525	2,229,552
Other Initiatives	149,000	173,633	75,650
Provincial Archives	100,000	166,654	139,940
Restoration	30,000	61,841	8,852
	<u>8,010,000</u>	<u>6,677,560</u>	<u>5,248,193</u>
Net operating results	<u>\$ -</u>	207,207	467,214
Fund balance at beginning of year		<u>1,026,631</u>	<u>559,417</u>
Fund balance at end of year		<u>\$ 1,233,838</u>	<u>\$ 1,026,631</u>

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

HISTORIC RESOURCES FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS		
Current assets:		
Cash (Note 3)	\$ 3,752,125	\$ 1,799,086
Accounts receivable	150,661	78,326
Inventory	117,030	43,244
Prepaid expenses	17,040	-
	\$ 4,036,856	\$ 1,920,656
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accrued liabilities	\$ 452,535	\$ 226,420
Deferred contributions (Note 4)	2,014,815	660,396
Unearned revenue	335,668	7,209
	2,803,018	894,025
Fund balance	1,233,838	1,026,631
	\$ 4,036,856	\$ 1,920,656

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

HISTORIC RESOURCES FUND
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating transactions:		
Net operating results	\$ 207,207	\$ 467,214
Increase in accounts receivable	(72,335)	(70,676)
Increase in inventory	(73,786)	(34,471)
Increase in prepaid expenses	(17,040)	-
Increase (decrease) in accounts payable and accrued liabilities	226,115	(79,791)
Increase in deferred contributions	1,354,419	452,141
Increase in unearned revenue	328,459	6,194
Cash provided by operating transactions	1,953,039	740,611
Cash at beginning of year	1,799,086	1,058,475
Cash at end of year	\$ 3,752,125	\$ 1,799,086

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

HISTORIC RESOURCES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Historic Resources Fund (Fund) operates under the authority of the Historical Resources Act, Chapter H-9, Revised Statutes of Alberta 2000, as amended.

The purpose of the Fund is to protect, enhance, promote and display Alberta's historic resources by funding programs designated by the Lieutenant Governor in Council, by providing operational grants to non-profit organizations, and by promoting the use and development of related facilities.

The Fund is a regulated fund of the Province of Alberta and as such has a tax-exempt status.

Note 2 Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. 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. 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 Historic Resources Fund, which is part of the Ministry of Community Development, and for which the Minister of Community Development 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 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 goods or services directly in return.

HISTORIC RESOURCES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Basis of Financial Reporting (continued)

Revenues (continued)

Grants and donations, that are restricted to a specific use, are recorded as deferred contributions and transferred to revenues in the period in which the related expenses are incurred.

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

Expenses

Directly Incurred

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

Incurred by Others

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

Assets

Financial assets of the Fund include advances to and receivables from other organizations, employees, and other individuals, as well as inventories held for resale. Inventory is valued at the lower of cost and estimated net realizable value.

Liabilities

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

Fair value

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

HISTORIC RESOURCES FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is 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 five years. Interest is earned on the Fund's daily cash balance at the average rate of CCITF 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 Deferred Contributions

Deferred contributions represent restricted contributions received relating to expenses of future years.

Changes in the deferred contributions balance are as follows:

	2002	2001
Restricted contributions received during the year -		
Promotion and Presentation	\$ 2,013,695	\$ 610,902
Interpretative Programs and Services	-	33,952
Restoration	27,596	846
Other Initiatives	164,067	122,593
	2,205,358	768,293
Less: amounts recognized as revenue in the year	(850,939)	(316,152)
Increase during the year	1,354,419	452,141
Balance at beginning of year	660,396	208,255
Balance at end of year	\$ 2,014,815	\$ 660,396
Balances at end of year are comprised of -		
Promotion and Presentation	\$ 1,897,232	\$ 503,946
Interpretative Programs and Services	-	33,952
Restoration	233	13,945
Other Initiatives	117,350	108,553
	\$ 2,014,815	\$ 660,396

HISTORIC RESOURCES FUND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 5 Commitments

At March 31, 2002, the Fund has the following commitments:

	2002	2001	
2001 - 2002	\$ -	\$ 1,240,000	
2002 - 2003	250,000	250,000	
2003 - 2004	250,000	250,000	
	\$ 500,000	\$ 1,740,000	

Note 6 Approval of Financial Statements

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

HISTORIC RESOURCES FUND
REVENUES
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal Government Transfers	\$ -	\$ -	\$ 34,920
Transfers from Government of Canada	350,000	100,053	166,845
Investment Income	45,000	158,677	113,020
Premiums, fees, and licenses	3,156,000	3,702,483	3,285,305
Other Revenue:			
Recoveries	4,459,000	1,707,459	1,472,868
Donations	-	624,841	538,203
Other grants and contributions	-	200,220	94,449
Refunds of expenses	-	37,502	9,797
Other miscellaneous revenue	-	21,322	-
Rental revenue	-	332,210	-
	<u>\$ 8,010,000</u>	<u>\$ 6,884,767</u>	<u>\$ 5,715,407</u>

HISTORIC RESOURCES FUND
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Supplies and Services:</u>			
Materials and supplies	\$ 1,698,500	\$ 1,403,193	\$ 930,998
Contract services	5,777,000	4,171,964	3,723,453
General office	245,000	541,530	264,910
Supplies and services from support service arrangements with related parties (a)	203,000	375,916	225,500
Travel	71,500	150,453	81,715
Hosting	<u>15,000</u>	<u>34,504</u>	<u>21,617</u>
	<u>\$ 8,010,000</u>	<u>\$ 6,677,560</u>	<u>\$ 5,248,193</u>

(a) The Fund receives financial and administrative services from the Department of Community Development.

HISTORIC RESOURCES FUND
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001-2002 Estimates	Treasury Board Approval	2001-2002 Authorized Budget
Revenues			
Transfers from Government of Canada	\$ 350,000	\$ -	\$ 350,000
Investment Income	45,000	-	45,000
Premiums, Fees and Licenses	3,156,000	350,000	3,506,000
Other Revenue	4,459,000	385,000	4,844,000
	<u>8,010,000</u>	<u>735,000</u>	<u>8,745,000</u>
Expenses: Directly incurred			
Interpretive Programs and Services	3,156,000	250,000	3,406,000
Promotion and Presentation	4,575,000	350,000	4,925,000
Other Initiatives	149,000	-	149,000
Provincial Archives	100,000	135,000	235,000
Restoration	30,000	-	30,000
	<u>8,010,000</u>	<u>735,000</u>	<u>8,745,000</u>
Net operating results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

- (a) Treasury Board approved a \$135,000 surplus neutral increase on August 1, 2001 to allow the Provincial Museum of Alberta to undertake a study on the impact of oil and gas development on Alberta's wildlife, and;
- (b) Treasury Board approved a \$600,000 surplus neutral increase on November 8, 2001 for the "Sixties" exhibit at the Provincial Museum of Alberta.

HISTORIC RESOURCES FUND
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Fund 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 Fund had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues:				
Grants	\$ -	\$ 24,920	\$ -	\$ 10,000
Expenses - Directly Incurred				
Other Services	\$ -	\$ -	\$ 47,608	\$ -
Payable to Department of Community Development	\$ 60,489	\$ -	\$ -	\$ -

The above transactions do not include support service arrangement transactions disclosed in Schedule 2.

The Fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 5.

	Entities in the Ministry		Other Entities	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 29,205	\$ 27,449
Other services	171,100	177,906	-	-
	<u>\$ 171,100</u>	<u>\$ 177,906</u>	<u>\$ 29,205</u>	<u>\$ 27,449</u>

HISTORIC RESOURCES FUND

ALLOCATED COSTS

FOR THE YEAR ENDED MARCH 31, 2002

Program	2002			2001	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses	Total Expenses
		Accommodation	Other Services		
Interpretive Programs and Services	\$ 3,379,907	\$ 14,783	\$ 86,604	\$ 3,481,294	\$ 3,272,296
Promotion and Presentation	2,895,525	12,664	74,192	2,982,381	1,948,028
Other Initiatives	173,633	759	4,449	178,841	78,610
Provincial Archives	166,654	729	4,270	171,653	145,416
Restoration	61,841	270	1,585	63,696	9,198
	<u>\$ 6,677,560</u>	<u>\$ 29,205</u>	<u>\$ 171,100</u>	<u>\$ 6,877,865</u>	<u>\$ 5,453,548</u>

⁽¹⁾ Expenses - Directly incurred as per Statement of Operations

Human Rights, Citizenship and Multiculturalism Education Fund

Financial Statements

March 31, 2002

**HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
FINANCIAL STATEMENTS
MARCH 31, 2002**

Auditor's Report

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Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Related Parties Transactions

Schedule 4 – Allocated Costs



AUDITOR'S REPORT

To the Directors of Human Rights, Citizenship and Multiculturalism Education Fund

I have audited the statement of financial position of The Human Rights, Citizenship and Multiculturalism Education Fund 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 Fund'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 Fund 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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Schedule 2)	Actual	Actual
Revenues:			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,062,000	\$ 2,352,000	\$ -
Contributions from the Lottery Fund	-	-	1,062,000
Investment Income	165,000	138,908	200,733
Other Revenue			
Fees	7,000	10	529
Refunds of expenses	15,000	4,087	3,431
	1,249,000	2,495,005	1,266,693
Expenses - Directly Incurred (Note 2b and Schedule 1 and 4)			
Support to community groups	711,000	2,003,184	723,807
Cultural Diversity Institute	250,000	250,000	250,000
Education programs	201,000	176,591	185,947
Fathers of Confederation Administration	50,000	50,000	50,000
	37,000	13,235	18,838
	1,249,000	2,493,010	1,228,592
Net operating results	\$ -	1,995	38,101
Fund balance at beginning of year		1,601,705	1,563,604
Fund balance at end of year		\$ 1,603,700	\$ 1,601,705

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS:		
Cash (Note 3)	\$ 1,648,047	\$ 1,989,531
Accounts receivable (Note 4)	1,300,170	75
	2,948,217	1,989,606
Cash appropriated for non-current use (Note 3 and 5)	1,450,000	1,450,000
	\$ 4,398,217	\$ 3,439,606
LIABILITIES AND EQUITY:		
Accounts payable and accrued liabilities	\$ 1,344,517	\$ 387,901
Equity:		
Fund balance	1,603,700	1,601,705
General reserve (Note 5)	1,450,000	1,450,000
	3,053,700	3,051,705
	\$ 4,398,217	\$ 3,439,606

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>	<u>2001</u>
Operating transactions:		
Net operating results	\$ 1,995	\$ 38,101
Increase in accounts receivable	(1,300,095)	715
Increase in accounts payable and accrued liabilities	<u>956,616</u>	<u>210,399</u>
Cash provided (used) by operating transactions	(341,484)	249,215
Cash at beginning of year	<u>1,989,531</u>	<u>1,740,316</u>
Cash at end of year	<u><u>\$ 1,648,047</u></u>	<u><u>\$ 1,989,531</u></u>

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Human Rights, Citizenship and Multiculturalism Education Fund (Fund) operates under the authority of the Human Rights, Citizenship and Multiculturalism Act, Chapter H-14, Revised Statutes of Alberta 2000.

The purpose of the Fund is to promote equality, increase understanding and acceptance of Alberta's diverse racial and cultural composition, and inform Albertans about their rights and responsibilities under the Human Rights, Citizenship and Multiculturalism Act.

The Fund is owned by the Crown in right of Alberta and is not subject to taxation.

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 for all departments. 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. 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 Fund, which is part of the Ministry of Community Development and for which the Minister of Community Development 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 reported on the accrual method 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.

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Fund operations are disclosed in schedule 4.

Assets

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

Liabilities

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

Fair value

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is 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 five years. Interest is earned on the Fund'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.

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 4 Accounts Receivable

	2002			2001
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Department of Community Development	\$ 1,300,000	\$ -	\$ 1,300,000	\$ -
Other	170	-	170	75
	\$ 1,300,170	\$ -	\$ 1,300,170	\$ 75

Accounts receivable are unsecured and non-interest bearing.

Note 5 General Reserve

The general reserve has been established by appropriation from the fund balance. The purpose of the reserve is to maintain a source for ongoing funding capability. The reserve is not available for operations without authorization of the Treasury Board.

Interest earned on the cash appropriated for the reserve is reported as operating revenue.

Note 6 Commitments

At March 31, 2002, the Fund has the following commitments relating to program contracts and grants:

	2002	2001
2001 - 2002	\$ -	\$ 269,903
2002 - 2003	20,000	-
2003 - 2004	67,120	-
	\$ 87,120	\$ 269,903

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Honoraria

	2002			2001
	Honoraria ^(a)	Benefits and Allowances ^(b)		Total
		Total	Total	
Advisory Committee:				
Chair ^(c)	\$ -	\$ -	\$ -	\$ -
Vice-chair ^{(a)(d)}	-	-	-	-
Other members ^(e)	1,332	-	1,332	1,317
	\$ 1,332	\$ -	\$ 1,332	\$ 1,317

- (a) The Fund has no employees. Staff of the Department of Community Development administers the Fund. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.
- (b) No benefits were provided to the Advisory Committee members.
- (c) The Chair of the Advisory Committee is a Member of the Legislative Assembly and is not compensated by the Fund. The Chair received \$15,767 from the Department of Community Development for his duties as Chair of the Advisory Committee.
- (d) The Vice-chair of the Advisory Committee is the Chief Commissioner of the Alberta Human Rights and Citizenship Commission and is not compensated by the Fund. The Vice-chair's salary and benefits are reported in the financial statements of the Department of Community Development.
- (e) Members appointed to the Advisory Committee are paid honoraria for attending meetings and performing other Fund duties at rates set by Ministerial Order.

Note 8 Approval of Financial Statements

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

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget	Actual	Actual
Grants:			
Support to community groups	\$ 700,000	\$ 1,983,880	\$ 709,125
Cultural Diversity Institute	250,000	250,000	250,000
Fathers of Confederation	50,000	50,000	50,000
	<u>1,000,000</u>	<u>2,283,880</u>	<u>1,009,125</u>
Supplies and services:			
Support to community groups	11,000	19,304	14,682
Education programs	201,000	176,591	185,947
Administration	37,000	13,235	18,838
	<u>249,000</u>	<u>209,130</u>	<u>219,467</u>
	<u>\$ 1,249,000</u>	<u>\$ 2,493,010</u>	<u>\$ 1,228,592</u>

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001 - 2002 Estimates	Treasury Board Approval ^(a)	2001 - 2002 Authorized Budget
Revenues:			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,062,000	\$ -	\$ 1,062,000
Investment Income	165,000	-	165,000
Other Revenue			-
Fees	7,000	-	7,000
Refunds of expenses	15,000	-	15,000
	<u>1,249,000</u>	<u>-</u>	<u>1,249,000</u>
Expenses - Directly Incurred			
Support to community groups	711,000	-	711,000
Cultural Diversity Institute	250,000	-	250,000
Education programs	201,000	-	201,000
Fathers of Confederation	50,000	-	50,000
Administration	37,000	-	37,000
	<u>1,249,000</u>	<u>-</u>	<u>1,249,000</u>
Net operating results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Minister of Community Development on April 10, 2001.

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Fund 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 Fund had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Transfers from the Department of Community Development	\$ 2,352,000	\$ -	\$ -	\$ -
Transfers from the Lottery Fund	-	-	-	1,062,000
	<u>\$ 2,352,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,062,000</u>
Expenses - Directly Incurred				
Grants	\$ -	\$ -	\$ 1,300,000	\$ -
Other services	-	-	3,978	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,303,978</u>	<u>\$ -</u>
Receivable from	<u>\$ 1,300,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payable to	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>\$ -</u>

The Fund also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in schedule 4.

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 6,655	\$ 5,626
Other services	155,357	150,207	-	-
	<u>\$ 155,357</u>	<u>\$ 150,207</u>	<u>\$ 6,655</u>	<u>\$ 5,626</u>

HUMAN RIGHTS, CITIZENSHIP AND MULTICULTURALISM EDUCATION FUND
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002			2001	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Total Expenses	Total Expenses
		Accommodation Costs	Other Services		
Support to community groups	\$ 2,003,184	\$ 3,367	\$ 71,716	\$ 2,078,267	\$ 794,284
Cultural Diversity Institute	250,000	102	2,679	252,781	252,559
Education programs	176,591	2,083	40,987	219,661	230,091
Fathers of Confederation	50,000	39	1,084	51,123	50,988
Administration	13,235	1,064	38,891	53,190	56,503
	<u>\$ 2,493,010</u>	<u>\$ 6,655</u>	<u>\$ 155,357</u>	<u>\$ 2,655,022</u>	<u>\$ 1,384,425</u>

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

The Wild Rose Foundation

Financial Statements

March 31, 2002

**THE WILD ROSE FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2002**

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Schedule 2 - Budget

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



AUDITOR'S REPORT

To the Directors of The Wild Rose Foundation

I have audited the statement of financial position of The Wild Rose Foundation 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 Foundation'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 Foundation 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 23, 2002

THE WILD ROSE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Schedule 2)	Actual	Actual
Revenues:			
Internal Government transfers			
Transfers from Department of Community Development	\$ 6,600,000	\$ 6,526,000	\$ -
Transfers from the Lottery Fund	-	-	6,600,000
Fees, permits, and licences			
- Vitalize Conference for Volunteers	120,000	158,738	129,478
Investment income			
	475,000	387,510	574,692
Other Revenue			
Donations			
- Vitalize Conference for Volunteers	110,000	46,041	61,534
- Other initiatives	-	12,500	-
Refunds of expenses			
- Vitalize Conference for Volunteers	-	-	100
- Other initiatives	30,000	108,830	143,332
Miscellaneous revenue			
- Vitalize Conference for Volunteers	50,000	13,872	13,233
	<u>7,385,000</u>	<u>7,253,491</u>	<u>7,522,369</u>
Expenses - Directly Incurred (Note 2b and Schedules 1 and 4)			
Support to Alberta non-profit organizations	4,130,000	4,124,097	4,347,898
International development program	1,696,000	1,635,348	1,645,182
Vitalize conference for volunteers	543,000	554,753	535,859
Other Initiatives	755,000	643,851	521,369
Administration	263,000	246,139	237,871
	<u>7,387,000</u>	<u>7,204,188</u>	<u>7,288,179</u>
Net operating results	<u>\$ (2,000)</u>	49,303	234,190
Operating fund balance at beginning of year		<u>1,782,927</u>	<u>1,548,737</u>
Operating fund balance at end of year		<u>\$ 1,832,230</u>	<u>\$ 1,782,927</u>

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

THE WILD ROSE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS		
Current assets:		
Cash (Note 3)	\$ 2,350,599	\$ 3,291,793
Accounts receivable	768	750
Prepaid expenses	40,837	1,546
	2,392,204	3,294,089
Investment (Note 3)	6,500,000	6,500,000
Capital assets (Note 4)	3,317	4,904
	\$ 8,895,521	\$ 9,798,993
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 557,468	\$ 1,511,530
Unearned revenue	5,823	4,536
	563,291	1,516,066
Equity:		
Endowment fund - internally restricted (Note 5)	6,500,000	6,500,000
Operating fund	1,832,230	1,782,927
	8,332,230	8,282,927
	\$ 8,895,521	\$ 9,798,993

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

THE WILD ROSE FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating transactions:		
Net operating results	\$ 49,303	\$ 234,190
Non-cash items		
Amortization of capital assets	1,587	1,588
	50,890	235,778
Decrease (increase) in accounts receivable	(18)	159
Increase in prepaid expenses	(39,291)	(546)
Decrease in accounts payable and accrued liabilities	(954,062)	(81,232)
Increase (decrease) in unearned revenue	1,287	(2,153)
	(941,194)	152,006
Cash provided by (used for) operating transactions		
	(941,194)	152,006
Increase (decrease) in cash		
Cash at beginning of year	3,291,793	3,139,787
Cash at end of year	\$ 2,350,599	\$ 3,291,793

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

THE WILD ROSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 1 Authority and Purpose

The Wild Rose Foundation (Foundation) operates under the authority of the Wild Rose Foundation Act, Chapter W-8, Revised Statutes of Alberta 2000.

The purposes of the Foundation are:

- (a) to provide funding to volunteer, non-profit organizations that provide valuable services to Albertans;
- (b) to foster or promote the use of volunteers, or to assist those who volunteer or use the services of volunteers in Alberta; and
- (c) to foster or promote charitable, philanthropic, humanitarian, or public spirited acts or to assist those who perform them.

The Foundation 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

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. 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. 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 Foundation, which is part of the Ministry of Community Development and for which the Minister of Community Development 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.

THE WILD ROSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting

Revenue

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.

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

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 Foundation has primary responsibility and accountability for, as reflected in the Government's budget documents.

Directly incurred expenses include amortization of capital assets.

Incurred by Others

Services contributed by other entities in support of the Foundation operations are disclosed in schedule 4.

Assets

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations.

Capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing capital assets is \$5,000.

THE WILD ROSE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

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 Foundation at fiscal year end.

Fair value

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book values.

Note 3 Cash and Investment

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is 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 five years. Interest is earned on the Foundation's daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates.

Investment also consists of deposits in the CCITF. It represents deposits equivalent to the endowment fund balance. These deposits are restricted in accordance with the terms of the endowment.

Due to the short-term nature of these deposits, the carrying value approximates fair value.

Note 4 Capital Assets

	Estimated Useful Life	2002			2001
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 years	\$ 10,582	\$ (7,265)	\$ 3,317	\$ 4,904
Computer equipment	3 years	18,274	(18,274)	-	-
		<u>\$ 28,856</u>	<u>\$ (25,539)</u>	<u>\$ 3,317</u>	<u>\$ 4,904</u>

THE WILD ROSE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

Note 5 Endowment Fund – Internally Restricted

In 1985, the members of the Foundation directed that the initial contribution from lottery funds amounting to \$4,500,000 be placed in an endowment fund so that the funds are not available for use in its operations. In 1993, a further \$2,000,000 was transferred from the operating fund balance to the endowment fund. The purpose of the fund is to earn income and to retain an ongoing funding capability.

Interest earned on the endowment fund is reported as operating revenue.

Note 6 Honoraria

	2002			2001
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board ^(c) :				
Chair	\$ 12,692	\$ -	\$ 12,692	\$ 16,728
Other members (6)	29,830	-	29,830	21,412
	\$ 42,522	\$ -	\$ 42,522	\$ 38,140

^(a) The Foundation has no employees. Staff of the Department of Community Development administers the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.

^(b) No benefits were provided to Board members.

^(c) Members appointed to the Foundation are paid honoraria for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, to attend out of town meetings, and for attending to other Foundation duties.

THE WILD ROSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Commitments

As at March 31, 2002, the Foundation had the following commitments:

	<u>2002</u>	<u>2001</u>
Service contracts	<u>\$ 63,200</u>	<u>\$ -</u>

Note 8 Approval of Financial Statements

The financial statements have been approved by the Board of Directors.

THE WILD ROSE FOUNDATION
EXPENSES DIRECTLY INCURRED DETAILED BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Grants	\$ 5,504,000	\$ 5,447,969	\$ 5,703,600
Supplies and services	1,261,466	1,121,110	944,851
Supplies and services from support services arrangements with related parties (a)	591,000	591,000	600,000
Honoraria (Note 6)	28,534	42,522	38,140
Amortization	2,000	1,587	1,588
	<u>\$ 7,387,000</u>	<u>\$ 7,204,188</u>	<u>\$ 7,288,179</u>

(a) The Foundation receives financial and program related administrative services from the Department of Community Development.

THE WILD ROSE FOUNDATION
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001 - 2002 Estimates	Treasury Board Approval	2001 - 2002 Authorized Budget
Revenues:			
Internal Government transfers			
Transfer from Department of Community Development	\$ 6,600,000	-	\$ 6,600,000
Investment income	475,000	-	475,000
Premiums, fees and licences	120,000	-	120,000
Other revenue	190,000	-	190,000
	<u>7,385,000</u>	<u>-</u>	<u>7,385,000</u>
Expenses:			
Support to Alberta non-profit organizations	4,130,000	-	4,130,000
International development program	1,696,000	-	1,696,000
Vitalize conference for volunteers	543,000	-	543,000
Other Initiatives	755,000	-	755,000
Administration	263,000	-	263,000
	<u>7,387,000</u>	<u>-</u>	<u>7,387,000</u>
Net operating results	<u>\$ (2,000)</u>	<u>\$ -</u>	<u>\$ (2,000)</u>
Capital investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Board of Directors on Dec. 6, 2000.

THE WILD ROSE FOUNDATION
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Foundation 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 Foundation had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Transfer from Department of Community Development	\$ 6,526,000	\$ -	\$ -	\$ -
Transfers from the Lottery Fund	-	-	-	6,600,000
	<u>\$ 6,526,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,600,000</u>
Expenses - directly incurred:				
Other services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,692</u>	<u>\$ 17,789</u>

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

The Foundation 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	
	2002	2001	2002	2001
Expenses - incurred by others:				
Accommodation	\$ -	\$ -	\$ 36,469	\$ 37,596
Other services	32,478	30,291	12	328
	<u>\$ 32,478</u>	<u>\$ 30,291</u>	<u>\$ 36,481</u>	<u>\$ 37,924</u>

THE WILD ROSE FOUNDATION
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002				2001	
	Expenses ⁽¹⁾	Expenses - incurred by others			Total Expenses	Total Expenses
		Accommodation Costs	Legal Costs	Other services		
Support to Alberta non-profit organizations	\$ 4,124,097	\$ 10,941	\$ -	\$ 9,743	\$ 4,144,781	\$ 4,370,526
International development program	1,635,348	10,941	-	9,743	\$ 1,656,032	1,660,268
Vitalize conference for volunteers	554,753	5,470	-	4,872	\$ 565,095	550,945
Other Initiatives	643,851	5,470	-	4,872	\$ 654,193	528,912
Administration	246,139	3,647	12	3,248	\$ 253,046	245,742
	<u>\$ 7,204,188</u>	<u>\$ 36,469</u>	<u>\$ 12</u>	<u>\$ 32,478</u>	<u>\$ 7,273,147</u>	<u>\$ 7,356,393</u>

⁽¹⁾ Expenses - directly incurred is per Statement of Operations.

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)**

	2002		2001
	Budget	Actual	Actual
			(As restated - Note 3)
Revenue			
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>
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
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>
Valuation Adjustments (Note 3)			
Provision for Vacation Pay	-	(3)	85
	<u>378,280</u>	<u>374,624</u>	<u>335,071</u>
Net Operating Results Before Transfers	<u>-</u>	<u>330</u>	<u>652</u>
Transfer From:			
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>
Net Operating Results	<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)
Assets		
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>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 8)	\$ 1,659	\$ 391
	<u>1,659</u>	<u>391</u>
Net assets		
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)
Operating transactions:		
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>
Investing transactions:		
Purchase of capital assets	(28)	-
	<u>(28)</u>	<u>-</u>
Cash at beginning of year	<u>2,253</u>	<u>(98)</u>
Cash at end of year	<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

	2001 - 2002 Original Budget	Provincial Board Reallocation	2001 - 2002 Current Budget
Revenue			
Grant from Department of Community Development	\$ 378,280	\$ -	\$ 378,280
Expenses			
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>
Net Operating Results	<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>

Edmonton Community Board for Persons with Developmental Disabilities

Financial Statements

March 31, 2002

EDMONTON COMMUNITY BOARD
FOR PERSONS WITH DEVELOPMENTAL DISABILITIES

FINANCIAL STATEMENTS

March 31, 2002

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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 Edmonton Community Board for Persons with Developmental Disabilities and the Minister of Community Development

I have audited the statement of financial position of the Edmonton Community Board for Persons with Developmental Disabilities 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 Edmonton Community Board for Persons with Developmental Disabilities 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 11, 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 10, 2002

Edmonton Community Board
For Persons with Developmental Disabilities
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	\$ 103,673	\$ 106,329	\$ 94,555
Previous Year's Refund of Expenditures	-	133	113
	<u>103,673</u>	<u>106,462</u>	<u>94,668</u>
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	65,579	68,542	60,102
Employment Supports	6,772	5,810	5,989
Community Access Supports	13,680	14,427	12,114
Specialized Community Supports	899	713	668
Direct Operations	1,256	1,239	1,148
Supports to Delivery System	15,406	15,719	14,256
Board Governance	81	136	106
	<u>103,673</u>	<u>106,586</u>	<u>94,383</u>
Valuation Adjustments			
Provision for Vacation Pay	-	16	112
	<u>103,673</u>	<u>106,602</u>	<u>94,495</u>
Net Operating Results Before Transfer	<u>-</u>	<u>(140)</u>	<u>173</u>
Transfer to Persons With Developmental Disabilities Provincial Board	-	-	(113)
Net Operating Results	<u>\$ -</u>	<u>\$ (140)</u>	<u>\$ 60</u>

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

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

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 4,303	\$ 4,595
Accounts Receivable (Note 4)	114	1
Capital Assets (Note 8)	12	14
	<u>\$ 4,429</u>	<u>\$ 4,610</u>
Liabilities		
Accounts Payable and Accrued Liabilities(Note 5)	<u>\$ 5,505</u>	<u>\$ 5,546</u>
	<u>5,505</u>	<u>5,546</u>
Net Liabilities		
Net Liabilities, Beginning of Year	(936)	(996)
Net Operating Results	<u>(140)</u>	<u>60</u>
Net Liabilities, End of Year	<u>(1,076)</u>	<u>(936)</u>
	<u>\$ 4,429</u>	<u>\$ 4,610</u>

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

**Edmonton Community Board
For Persons with Developmental Disabilities
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	\$ (140)	\$ 60
Non Cash Items		
Valuation Adjustment - Manpower	16	112
Amortization	<u>2</u>	<u>2</u>
	<u>(122)</u>	<u>174</u>
(Increase) Decrease in Accounts Receivable	(113)	8,896
(Decrease) in Accounts Payable and Accrued Liabilities (a)	<u>(57)</u>	<u>(150)</u>
Cash (Used) Provided by Operating Transactions	<u>(292)</u>	<u>8,920</u>
Cash (Overdraft), Beginning of Year	<u>4,595</u>	<u>(4,325)</u>
Cash, End of Year	<u>\$ 4,303</u>	<u>\$ 4,595</u>

(a) Adjusted for valuation adjustments.

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

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

Note 1 Authority and Purpose

The Edmonton Community Board for Persons with Developmental Disabilities (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.

(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.
- 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.

**Edmonton Community Board
For Persons with Developmental Disabilities
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)

- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

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

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 \$32 (2001 - \$28).

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 and the threshold for all other capital assets is \$5. All land is capitalized.

Liabilities

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

Net Liabilities

Net liabilities represents 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 \$1,125 (2001 - \$1,109).

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

Note 4 Accounts Receivable

	2002			2001
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 114		\$ 114	\$ 1

The current balance represents a GST receivable from the Federal Government of \$1 and \$113 from funded agencies due to under utilization of contracts.

Accounts receivable are unsecured and non-interest bearing.

Note 5 Accounts Payable and Accrued Liabilities

	2002	2001
Accounts Payable and Accrued Liabilities	\$ 5,505	\$ 5,546

The current balance represents accrued grants to individuals \$4,207 (2001 - \$4,053), employee accrued vacation pay and wages \$1,173 (2001 - \$1,184) and accrued supplies and services \$125 (2001 - \$309).

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, and 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 Capital Assets

		2002			2001
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 yrs	\$ 17	\$ 5	\$ 12	\$ 14

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

Note 9 Commitments

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

	<u>2002</u>
Service contracts (a)	\$ 4,312
Long-term leases (b)	<u>3</u>
	<u>\$ 4,315</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	\$ 1
2004	1
2005	<u>1</u>
	<u>\$ 3</u>

Note 10 Trust Funds Under Administration

The Board administers trust funds. 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, 2002 trust funds under administration were as follows:

	<u>2002</u>	<u>2001</u>
Donation to clients	\$ 3	\$ 4
Client Trust Funds	<u>74</u>	<u>68</u>
	<u>\$ 77</u>	<u>\$ 72</u>

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

Note 11 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 in to 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 18 individuals that has been included in the Statement of Operations is estimated to be \$1,059 (2001 - \$1,190).

Note 12 Comparative Figures

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

Note 13 Approval of Financial Statements

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

**Edmonton Community Board
 For Persons with Developmental Disabilities
 Expense 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>
Manpower Costs (a)	\$ 11,938	\$ 12,386	\$ 11,352
Supplies and Services	43,037	47,908	39,618
Grants	48,698	46,290	43,411
Amortization of Capital Assets	-	2	2
Total Expenses	<u>\$ 103,673</u>	<u>\$ 106,586</u>	<u>\$ 94,383</u>

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Budget**

Schedule 2

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

	2001 - 2002 Original Budget	Increases From Provincial Board	Community Board Reallocation	2001 - 2002 Current Allocation
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 103,673	\$ 2,656	\$ -	\$ 106,329
Expenses				
Community Living Supports	65,579	2,130	576	68,285
Employment Supports	6,772	-	(962)	5,810
Community Access Supports	13,680	-	747	14,427
Specialized Community Supports	899	-	(186)	713
Direct Operations	1,256	-	(17)	1,239
Supports to Delivery System	15,406	526	(213)	15,719
Board Governance	81	-	55	136
	<u>103,673</u>	<u>2,656</u>	<u>-</u>	<u>106,329</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 Edmonton 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.

The 2001 - 2002 Original Budget was approved by the Edmonton Community Board on June 27, 2001

**Edmonton Community Board
For Persons with Developmental Disabilities
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	\$ 23
Board Members (a)(c)	\$ 77	\$ -	\$ 77	\$ 65
Chief Executive Officer (b)	\$ 125	\$ 4	\$ 129	\$ 106

- 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 health care, dental and medical coverage, group life insurance and short term disability plan.

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Allocated Costs
For the year ended March 31, 2002
(in thousands)**

Schedule 4

	2002				2001	
	Expenses				(As restated - Note 3)	
	Expenses (1)	Costs (2)	Vacation Pay (3)	Total Expenses	Total Expenses	Total Expenses
Community Living Supports	\$ 68,542	\$ 629	\$ 12	\$ 69,183	\$ 60,743	\$ 60,743
Employment Supports	5,810	-	-	5,810	5,989	5,989
Community Access Supports	14,427	-	-	14,427	12,114	12,114
Specialized Community Supports	713	-	-	713	668	668
Direct Operations	1,239	-	-	1,239	1,148	1,148
Supports to Delivery System	15,719	1,231	4	16,954	16,467	16,467
Board Governance	136	-	-	136	106	106
	<u>\$ 106,586</u>	<u>\$ 1,860</u>	<u>\$ 16</u>	<u>\$ 108,462</u>	<u>\$ 97,235</u>	<u>\$ 97,235</u>

- 1) Expenses - Directly Incurred as per Statement of Operations.
- 2) Costs shown for Accommodation (includes grants in lieu of taxes) per Schedule 5.
- 3) Provision for vacation pay has been allocated based on actual provision relating to the program.

**Edmonton Community Board
For Persons with Developmental Disabilities
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	\$ 106,329	\$ 94,555	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 113	\$ -	\$ -
Department of Finance	-	-	19	-
Department of Government Services	-	-	364	-
Department of Infrastructure	-	-	163	19
CFSA #10 - Ma'Mowe Capital Region	-	-	53	-
	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 599</u>	<u>\$ 19</u>
Accounts Payable and Accrued Liabilities:				
CFSA #10 - Ma'mowe Capital Region	\$ -	\$ -	\$ 15	\$ -

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	\$ -	\$ 1,914	\$ -	\$ -
Department of Infrastructure	-	-	1,860	826
	<u>\$ -</u>	<u>\$ 1,914</u>	<u>\$ 1,860</u>	<u>\$ 826</u>

CALGARY REGION COMMUNITY BOARD PERSONS WITH DEVELOPMENTAL DISABILITIES

Financial Statements

March 31, 2002

CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
FINANCIAL STATEMENTS
MARCH 31, 2002

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Schedule 2 - Budget

Schedule 3 - Disclosure of Compensation Paid to Executives

Schedule 4 - Allocated Costs

Schedule 5 - Related Party Transactions



AUDITOR'S REPORT

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

I have audited the statement of financial position of the Calgary Region Community Board Persons with Developmental Disabilities 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 Calgary Region Community Board Persons with Developmental Disabilities 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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Statement of Operations
For the year ended March 31, 2002
(in thousands)**

	2002		2001
	Budget (Schedule 2)	Actual	Actual (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 85,970	\$ 89,437	\$ 78,825
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	46,661	48,826	42,549
Employment Supports	11,857	9,622	9,725
Community Access Supports	15,511	15,468	13,248
Specialized Community Supports	1,296	1,540	1,384
Supports to Delivery System	10,561	13,856	12,043
Board Governance	84	126	118
	<u>85,970</u>	<u>89,438</u>	<u>79,067</u>
Valuation Adjustments			
Provision for Vacation Pay	-	(77)	65
	<u>85,970</u>	<u>89,361</u>	<u>79,132</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ (307)</u>

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Statement of Financial Position
As at March 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 2,831	\$ 2,217
Accounts Receivable	1	1
	<u>\$ 2,832</u>	<u>\$ 2,218</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	<u>\$ 3,949</u>	<u>\$ 3,411</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(1,193)	(886)
Net Operating Results	76	(307)
	<u>(1,117)</u>	<u>(1,193)</u>
Net Assets (Liabilities), End of Year	<u>\$ 2,832</u>	<u>\$ 2,218</u>

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
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	\$ 76	\$ (307)
Non Cash Item		
Provision for Vacation Pay	(77)	65
	<u>(1)</u>	<u>(242)</u>
Decrease in Accounts Receivable	-	6,315
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>615</u>	<u>(1,514)</u>
Cash Provided by Operating Transactions	<u>614</u>	<u>4,559</u>
Cash/(Bank Overdraft), Beginning of Year	<u>2,217</u>	<u>(2,342)</u>
Cash, End of Year	<u>\$ 2,831</u>	<u>\$ 2,217</u>

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 1 Authority and Purpose

The Calgary Region Community Board, Persons with Developmental Disabilities (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.

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 include changes in the valuation allowances that are 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.
- The cost of salary, 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 are 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 \$39.5 (2001 - \$29).

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.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents 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 reflect accrued vacation liability of \$874 (2001 - \$951), resulting in a decrease of expenses by \$77 (2001 – increase by \$65).

Note 4 Accounts Payable and Accrued Liabilities

	2002	2001
Accrued Liabilities	\$ 3,075	\$ 2,460
Accrued Vacation Pay	874	951
Total	<u>\$ 3,949</u>	<u>\$ 3,411</u>

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 Commitments

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

	<u>2002</u>
Program Contracts (a)	\$ 21,765
Long-term Leases (b)	142

(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 un-expired terms of these leases are as follows:

2003	\$ 60
2004	53
2005	<u>29</u>
	<u>\$ 142</u>

Note 8 Trust Funds Under Administration

The Board administers trust funds held on behalf of others. The Board has no equity in the funds and therefore, they are not included in the Board's financial statements.

As at March 31, 2002 trust funds under administration were as follows:

	<u>2002</u>	<u>2001</u>
Client Trust Funds	<u>\$ 94</u>	<u>\$ 85</u>

Note 9 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals 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 agency surplus retention reserves at March 31, 2002 was \$30 (March 31, 2001 - \$23). This amount is not reflected in these financial statements.

Note 10 Grandfathered Clients

The Legislative Assembly passed the *Persons with Developmental Disabilities Community Governance Act* in 1997, and this 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 supports were grandfathered into the new Persons with Developmental Disabilities service system. In response to a recommendation from the *Building Better Bridges Report*, Government directed that Persons with Developmental Disabilities 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 86 (2001 – 99) individuals is estimated to be \$2,850 (2001 - \$2,144) of which \$1,730 is reflected in the Statement of Operations and \$1,120 is reflected in Schedule 1.

Note 11 Comparative Figures

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

Note 12 Approval of Financial Statements

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Schedule of 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)	\$ 8,231	\$ 9,097	\$ 8,314
Supplies and Services	28,667	34,794	32,338
Grants	<u>49,072</u>	<u>46,667</u>	<u>38,915</u>
Total expenses before vacation pay and recoveries	<u>85,970</u>	<u>90,558</u>	<u>79,567</u>
Provision for Vacation Pay	-	(77)	65
Less Recovery from Support Service (b)	<u>-</u>	<u>(1,120)</u>	<u>(500)</u>
Total expenses after recoveries	<u>\$ 85,970</u>	<u>\$ 89,361</u>	<u>\$ 79,132</u>

- (a) Manpower costs relate to employees seconded to the Board from the Department of Community Development and are not employees of the Board.
- (b) The Board provides specialized program supports to children who are the responsibility of the Calgary Rocky View Child and Family Services Authority. Costs incurred for these services are recovered from Calgary Rocky View Child and Family Services Authority.

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Schedule of Budget
For the year ended March 31, 2002
(in thousands)**

Schedule 2

	2001 - 2002 Original Budget	Increases from Provincial Board	2001 - 2002 Current Allocation	2001 - 2002 Actuals
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 85,970	\$ 3,467	\$ 89,437	\$ 89,437
Expenses				
Programs				
Community Living Supports	46,661	(2,941)	43,720	48,826
Employment Supports	11,857	(1,157)	10,700	9,622
Community Access Supports	15,511	1,694	17,205	15,468
Specialized Community Supports	1,296	524	1,820	1,540
Supports to Delivery System	10,561	5,347	15,908	13,856
Board Governance	84	-	84	126
	<u>85,970</u>	<u>3,467</u>	<u>89,437</u>	<u>89,438</u>
Valuation Adjustments				
Provision for Vacation Pay	-	-	-	(77)
	<u>85,970</u>	<u>3,467</u>	<u>89,437</u>	<u>89,361</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76</u>

The 2001-2002 Original 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 Calgary Region 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.

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Schedule of Disclosure of Compensation Paid to Executives
For the year ended March 31, 2002
(in thousands)**

Schedule 3

	2002			2001
	Payments	Benefits and Allowances	Total	Total
Chair of the Board (a)	\$ 15	\$ -	\$ 15	\$ 14
Board Members (7 members) (a)	\$ 63	\$ -	\$ 63	\$ 89
Chief Executive Officer (b)	\$ 94	\$ 16	\$ 110	\$ 104

(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.

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

Schedule of Allocated Costs

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

Schedule 4

Program	2002				2001	
	Expenses (1)	Expenses Incurred by Others		Vacation Pay	Total Expenses	Total Expenses
		Accommodation Costs (2)				
Community Living Supports	\$ 48,826	\$ 1,116	\$ -	\$ 49,942	\$ 43,591	
Employment Supports	9,622	-	-	9,622	9,725	
Community Access Supports	15,468	-	-	15,468	13,248	
Specialized Community Supports	1,540	-	-	1,540	1,384	
Supports to Delivery System	13,856	206	(77)	13,985	13,876	
Board Governance	126	-	-	126	118	
	<u>\$ 89,438</u>	<u>\$ 1,322</u>	<u>\$ (77)</u>	<u>\$ 90,683</u>	<u>\$ 81,942,000</u>	

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

2) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5, Department of Infrastructure.

**CALGARY REGION COMMUNITY BOARD
 PERSONS WITH DEVELOPMENTAL DISABILITIES
 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 include management and 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, 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 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	\$ 89,437	\$ 78,825	\$ -	\$ -
Expenses				
Department of Government Services	\$ -	\$ -	\$ 330	\$ -
Department of Finance	-	-	120	-
Department of Infrastructure	-	-	15	1
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465</u>	<u>\$ 1</u>

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				
Community Development	\$ -	\$ 1,595	\$ -	\$ -
Department of Infrastructure	-	-	1,322	1,215
	<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ 1,322</u>	<u>\$ 1,215</u>

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

Persons with Developmental Disabilities Northwest Region Community Board

Financial Statements

March 31, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES

NORTHWEST REGION COMMUNITY 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 Cost

Schedule 5 - Related Party Transactions



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 Community Development

I have audited the statement of financial position of the Persons with Developmental Disabilities Northwest Region 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 Northwest Region 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 8, 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 29, 2002

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

	2002		2001
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 13,664	\$ 13,824	\$ 12,400
Previous Year's Refund of Expenditures	-	158	6
	<u>13,664</u>	<u>13,982</u>	<u>12,406</u>
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	7,949	7,817	7,070
Employment Supports	1,292	988	1,007
Community Access Supports	1,582	1,453	1,139
Specialized Community Supports	506	362	342
Supports to Delivery System	2,190	3,204	2,730
Board Governance	145	109	104
	<u>13,664</u>	<u>13,933</u>	<u>12,392</u>
Valuation Adjustments			
Provision for Vacation Pay	-	5	16
	<u>13,664</u>	<u>13,938</u>	<u>12,408</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 44</u>	<u>\$ (2)</u>

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, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 727	\$ 573
Accounts Receivable	1	93
Advances	-	1
	<u>\$ 728</u>	<u>\$ 667</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 760	\$ 743
	<u>760</u>	<u>743</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(76)	(74)
Net Operating Results	44	(2)
	<u>(32)</u>	<u>(76)</u>
Net Assets (Liabilities), End of Year	<u>\$ 728</u>	<u>\$ 667</u>

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

**Persons with Developmental Disabilities
Northwest Region 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	\$ 44	\$ (2)
Non Cash Items		
Valuation Adjustment	5	16
	<u>49</u>	<u>14</u>
Decrease in Accounts Receivable	93	1,104
Decrease in Advances	1	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities (a)	11	(102)
	<u>154</u>	<u>1,017</u>
Cash Provided by Operating Transactions		
Cash (Overdraft), Beginning of Year	<u>573</u>	<u>(444)</u>
Cash, End of Year	<u>\$ 727</u>	<u>\$ 573</u>

(a) Adjusted for valuation adjustments

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

**Persons with Developmental Disabilities
Northwest Region 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 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*.

The vision of the Board is persons with developmental disabilities as leaders and partners in a world without barriers.

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.

(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, guarantees and indemnities.

**Persons with Developmental Disabilities
Northwest Region 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)

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.

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 \$26 (2001 - \$19).

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 and the threshold for all other capital assets is \$5. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents 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 \$90.

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

Note 4 Accounts Payable and Accrued Liabilities

	<u>2002</u>	<u>2001</u>
Accounts Payable and Accrued Liabilities	<u>\$ 760</u>	<u>\$ 743</u>

The current balance includes \$2 in manpower accruals, \$13 in supplies accruals, \$650 in grant accruals and \$95 of accrued vacation pay.

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 Commitments

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

	<u>2002</u>	<u>2001</u>
Service contracts	\$ -	\$ 3,517
Long-term leases (a)	<u>45</u>	<u>20</u>
	<u>\$ 45</u>	<u>\$ 3,537</u>

(a) 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	\$	14
2004		12
2005		10
2006		8
2007		<u>1</u>
	<u>\$</u>	<u>45</u>

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

Note 8 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 5 individuals that has been included in the Statement of Operations is estimated to be \$65.

Note 9 Comparative Figures

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

Note 10 Approval of Financial Statements

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Expense 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>
Manpower Costs (a)	\$ 850	\$ 919	\$ 709
Supplies and Services	4,397	5,923	5,236
Grants	8,417	7,091	6,447
Total Expenses	<u>\$ 13,664</u>	<u>\$ 13,933</u>	<u>\$ 12,392</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
Northwest Region 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	\$ 13,664	\$ 160	\$ 13,824
Expenses			
Community Living Supports	7,949	-	7,949
Employment Supports	1,292	-	1,292
Community Access Supports	1,582	-	1,582
Specialized Community Supports	506	-	506
Supports to Delivery System	2,190	160	2,350
Board Governance	145	-	145
	<u>13,664</u>	<u>160</u>	<u>13,824</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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 Northwest Region 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
Northwest Region Community Board
Disclosure of Payments to Executives
For the year ended March 31, 2002
(in thousands)**

Schedule 3

	2002			2001
	<u>Salary/Honoraria</u>	<u>Benefits and Allowances</u>	<u>Total</u>	<u>Total</u>
Chair of the Board (a)	\$ 24	\$ -	\$ 24	\$ 17
Board Members (a)(c)	\$ 51	\$ -	\$ 51	\$ 57
Chief Executive Officer (b)	\$ 87	\$ 14	\$ 101	\$ 93

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.

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

c. These positions were occupied by 7 individuals at various intervals during the year. At March 31, 2002 all 7 positions were occupied.

**Persons with Developmental Disabilities
Northwest Region Community Board
Allocated Costs**

Schedule 4

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

Program	2002				2001	
	Expenses (1)	Expenses - Incurred by Others		Vacation Pay (3)	Total Expenses	Total Expenses
		Accommodation Costs (2)				
Community Living Supports	\$ 7,817	\$ -	\$ -	-	\$ 7,817	\$ 7,070
Employment Supports	988	-	-	-	988	1,007
Community Access Supports	1,453	-	-	-	1,453	1,163
Specialized Community Supports	362	-	-	-	362	342
Supports to Delivery System	3,204	96	-	5	3,305	3,050
Board Governance	109	-	-	-	109	104
Valuation Adjustments	-	-	-	-	-	16
	\$ 13,933	\$ 96	\$ -	5	\$ 14,034	\$ 12,752

- 1) Expenses - Directly Incurred as per Statement of Operations.
- 2) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 5.
- 3) Provision for vacation pay has been allocated based on actual provision relating to the program.

**Persons with Development Disabilities
Northwest Region 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 and 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, 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 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	\$ 13,824	\$ 12,400	\$ -	\$ -
Expenses:				
Department of Government Services	\$ -	\$ -	\$ 206	\$ -
Department of Finance	-	-	1	-
Department of Infrastructure	-	-	19	4
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 4</u>

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	\$ -	\$ 251	\$ -	\$ -
Department of Infrastructure	-	-	100	93
	<u>\$ -</u>	<u>\$ 251</u>	<u>\$ 100</u>	<u>\$ 93</u>

Persons with Developmental Disabilities Northeast Alberta Community Board

Financial Statements

March 31, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES

NORTHEAST ALBERTA COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2002

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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
Northeast Alberta Community Board and the Minister of Community Development

I have audited the statement of financial position of the Persons with Developmental Disabilities Northeast 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 Northeast 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 9, 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 27, 2002

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

	<u>2002</u>		<u>2001</u>
	Budget	Actual	Actual
			(as restated Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 17,930	\$ 17,740	\$ 16,238
Previous Year's Refund of Expenditures	-	75	129
	<u>17,930</u>	<u>17,815</u>	<u>16,367</u>
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	9,427	8,729	8,070
Employment Supports	1,416	1,648	1,308
Community Access Supports	3,100	2,909	2,703
Specialized Community Supports	381	418	345
Supports to Delivery System	3,462	3,765	3,218
Board Governance	144	141	126
	<u>17,930</u>	<u>17,610</u>	<u>15,770</u>
Valuation Adjustments			
Provision for Vacation Pay	-	(16)	13
	<u>17,930</u>	<u>17,594</u>	<u>15,783</u>
Net Operating Results Before Transfer	<u>-</u>	<u>221</u>	<u>584</u>
Transfer to Persons With Developmental Disabilities Provincial Board	-	-	(129)
Net Operating Results	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 455</u>

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

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

	2002	2001
		(as restated Note 3)
Assets		
Cash	\$ 2,025	\$ 2,040
Accounts Receivable (Note 4)	14	1
Advances	5	5
	<u>\$ 2,044</u>	<u>\$ 2,046</u>
Liabilities		
Accounts Payable and Accrued Liabilities	<u>\$ 868</u>	<u>\$ 1,091</u>
Net Assets		
Net Assets, Beginning of Year	955	500
Net Operating Results	221	455
Net Assets, End of Year	<u>1,176</u>	<u>955</u>
	<u>\$ 2,044</u>	<u>\$ 2,046</u>

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

**Persons with Developmental Disabilities
 Northeast 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	\$ 221	\$ 455
Non Cash Items		
Provision for Vacation Pay	(16)	13
Decrease (Increase) in Accounts Receivable	(13)	2,123
Decrease in Advances	-	(4)
Increase (Decrease) in Accounts Payable and Accrued Liabilities(a)	(207)	100
Cash Provided (Used) by Operating Transactions	<u>(15)</u>	<u>2,687</u>
Cash/ (Bank Overdraft), Beginning of Year	<u>2,040</u>	<u>(647)</u>
Cash/ (Bank Overdraft), End of Year	<u>\$ 2,025</u>	<u>\$ 2,040</u>

(a) Net of provision for vacation pay.

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

**Persons with Developmental Disabilities
Northeast 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 Northeast 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.

(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.

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

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

Incurring 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 \$24 (2001 - \$20).

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 and the threshold for all other capital assets is \$5. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents 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 liabilities by \$91 (2001 - \$107).

Note 4 Accounts Receivable

	<u>2002</u>			<u>2001</u>
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 14	-	\$ 14	\$ 1

The current balance represents a GST receivable from the Federal Government of \$2 and \$12 for a current year expenditure refund receivable (2001 balance represents a GST receivable from the Federal Government of \$1).

Accounts receivable are unsecured and non-interest bearing.

Note 5 Accounts Payable and Accrued Liabilities

	<u>2002</u>	<u>2001</u>
Accounts Payable and Accrued Liabilities	\$ 868	\$ 1,091

The current balance represents accruals of \$16 for wages and benefits, \$32 for Contracted Services, \$8 for Board expenses, \$32 for administrative expenses, \$91 for vacation and \$689 for Individual Funding Agreements.

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, and 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)	\$ 7,179	\$ 6,836
Long-term leases (b)	<u>7</u>	<u>5</u>
	<u>\$ 7,186</u>	<u>\$ 6,841</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	\$ 2
2004	1
2005	2
2006	1
2007	1
	<u>\$ 7</u>

Note 9 Grandfathered Clients

When the *Persons with Developmental Disabilities Community Board 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 8 individuals that has been included in the Statement of Operations is estimated to be \$124 (2001 - \$84).

Note 11 Comparative Figures

Certain 2001 figures have been reclassified 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
 Northeast Alberta Community Board
 Expense 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)	\$ 1,036	\$ 970	\$ 854
Supplies and Services	7,131	8,264	7,660
Grants	<u>9,763</u>	<u>8,376</u>	<u>7,256</u>
Total Expenses	<u>\$ 17,930</u>	<u>\$ 17,610</u>	<u>\$ 15,770</u>

- (a) Manpower costs relate to employees seconded to the Board from the Department of Community Development and are not employees of the Board.
- (b) The Board receives information technology, communications, financial and human resources services from an arrangement with the Alberta Corporate Service Centre.

**Persons with Developmental Disabilities
 Northeast 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	\$ 17,930	\$ (190)	\$ 17,740
Expenses			
Community Living Supports	9,427	(145)	9,282
Employment Supports	1,416	175	1,591
Community Access Supports	3,100	(304)	2,796
Specialized Community Supports	381	(28)	353
Supports to Delivery System	3,462	112	3,574
Board Governance	144		144
	<u>17,930</u>	<u>(190)</u>	<u>17,740</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

An interim budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on May 31, 2002. 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 Northeast 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
 Northeast Alberta Community Board
 Disclosure of Payments to Executives
 For the year ended March 31, 2002
 (in thousands)**

Schedule 3

	2002			2001
	Salary/Honoraria	Benefits and Allowances	Total	Total
Chair of the Board (a)	\$ 27	\$ -	\$ 27	\$ 18
Board Members (7 members) (a)	\$ 63	\$ -	\$ 63	\$ 56
Chief Executive Officer (b)	\$ 93	\$ 14	\$ 107	\$ 112

- 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.

**Persons with Development Disabilities
 Northeast Alberta Community Board
 Allocated Costs
 For the year ended March 31, 2002
 (in thousands)**

Schedule 4

Program	2002				2001
	Expenses (1)	Expenses – Incurred by Others Accommodation Costs (2)	Vacation Pay (3)	Total Expenses	Total Expenses
Community Living Supports	\$ 8,729	\$ -	\$ -	\$ 8,729	\$ 8,070
Employment Supports	1,648	-	-	1,648	1,308
Community Access Supports	2,909	-	-	2,909	2,703
Specialized Community Supports	418	-	-	418	345
Supports to Delivery System	3,765	52	(16)	3,801	3,598
Board Governance	141	-	-	141	126
	<u>\$ 17,610</u>	<u>\$ 52</u>	<u>\$ (16)</u>	<u>\$ 17,646</u>	<u>\$ 16,150</u>

- 1) Expenses – Directly Incurred as per Statement of Operations
- 2) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5.
- 3) Provision for vacation pay has been allocated based on actual provision relating to the program.

**Persons with Development Disabilities
 Northeast 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 Ministry of Community Development 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 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	\$ 17,740	\$ 16,238	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 129	\$ -	\$ -
Department of Government Services	-	-	249	-
Department of Infrastructure	-	-	24	-
Department of Finance	-	-	1	-
	\$ -	\$ 129	\$ 274	\$ -

	<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	\$ -	\$ 329	\$ -	\$ -
Department of Infrastructure	-	-	62	51
	\$ -	\$ 329	\$ 62	\$ 51

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

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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
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				Total Expenses
	Expenses (1)	Expenses - Incurred by Others		Vacation Pay	
		Accommodation Costs (2)	Legal Costs (3)		
Community Living Supports	\$ 36,310	\$ -	\$ -	\$ -	\$ 36,310
Employment Supports	2,838	-	-	-	2,838
Community Access Supports	8,004	-	-	-	8,004
Specialized Community Supports	165	-	-	-	165
Supports to Delivery System	8,214	121	-	20	8,355
Board Governance	139	-	-	-	139
	<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>

**Persons with Developmental
Disabilities South Alberta
Board**

Financial Statements

March 31, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES

SOUTH ALBERTA 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 South Alberta Board and the Minister of Community Development

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

As the Ministry of Community Development reporting practices stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities are related parties of the Board. A description of the nature of the Board's relationship with regional health authorities should have been included in Schedule 5, Related Party Transactions. Also, Schedule 5 should have disclosed the expense for the contract services provided by Chinook Regional Health Authority and Palliser Health Authority amounting to \$1.8 million and \$2.4 million respectively.

In my opinion, except for the matter described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities South Alberta 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 9, 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 10, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES
SOUTH ALBERTA BOARD
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002
(thousands of dollars)

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 39,900	\$ 41,091	\$ 36,279
Previous Year's Refund of Expenditures	-	42	3
	<u>39,900</u>	<u>41,133</u>	<u>36,282</u>
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	22,773	22,767	20,828
Employment Supports	2,544	2,021	2,331
Community Access Supports	7,970	9,132	7,302
Specialized Community Supports	273	290	250
Supports to Delivery System	6,233	6,620	5,689
Board Governance	107	104	87
	<u>39,900</u>	<u>40,934</u>	<u>36,487</u>
Valuation Adjustments			
Provision for Vacation Pay	-	11	15
	<u>39,900</u>	<u>40,945</u>	<u>36,502</u>
Net Operating Results Before Transfer	-	188	(220)
Transfer to Persons With Developmental Disabilities Provincial Board	-	-	(3)
Net Operating Results	<u>\$ -</u>	<u>\$ 188</u>	<u>\$ (223)</u>

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

**PERSONS WITH DEVELOPMENTAL DISABILITIES
SOUTH ALBERTA BOARD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 1,454	\$ 803
Accounts Receivable	<u>5</u>	<u>40</u>
	<u>\$ 1,459</u>	<u>\$ 843</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	<u>\$ 1,599</u>	<u>\$ 1,171</u>
	<u>1,599</u>	<u>1,171</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(328)	(105)
Net Operating Results	<u>188</u>	<u>(223)</u>
Net Assets (Liabilities), End of Year	<u>(140)</u>	<u>(328)</u>
	<u>\$ 1,459</u>	<u>\$ 843</u>

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

**Persons with Developmental Disabilities
South Alberta 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	\$ 188	\$ (223)
Non Cash Item		
Provision for Vacation Pay	11	15
	<u>199</u>	<u>(208)</u>
Decrease in Accounts Receivable	35	1,484
Increase in Accounts Payable and Accrued Liabilities (a)	417	40
	<u>651</u>	<u>1,316</u>
Cash, Beginning of Year	803	(513)
	<u>1,454</u>	<u>803</u>
Cash, End of Year	<u>\$ 1,454</u>	<u>\$ 803</u>

(a) Adjusted for valuation adjustment.

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

Persons with Developmental Disabilities
South Alberta 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 South Alberta 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 purpose of the Board is to lead in promoting supports to persons with developmental disabilities.

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.

(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:

- 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.

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

(b) Basis of Financial Reporting

- 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.

Incurring 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 \$26 (2001 - \$22).

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. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents 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 reflect an accrued liability of \$131 (2001 - \$120) resulting in an increase of expenses by \$11 (2001 - \$15).

Note 4 Accounts Payable and Accrued Liabilities

	<u>2002</u>	<u>2001</u>
Accounts Payable and Accrued Liabilities	<u>\$ 1,599</u>	<u>\$ 1,171</u>

The current balance represents Accrued Liabilities of \$1,468 (2001 - \$1,051) and Accrued Vacation Pay of \$131 (2001 - \$120).

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 Commitments

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

	<u>2002</u>	<u>2001</u>
Service contracts (a)	\$ 3,652	\$ 3,344
Long-term leases (b)	<u>1</u>	<u>9</u>
	<u>\$ 3,653</u>	<u>\$ 3,353</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	<u>\$ 1</u>
------	-------------

Note 8 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 \$72 (March 31, 2001 - \$302). This amount is not reflected in these financial statements.

Note 9 Grandfathered Clients

When the *Persons with Developmental Disabilities Community Governance Act* (the Act) was passed by the Legislative Assembly 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 17 individuals that has been included in the Statement of Operations is estimated to be \$480 (2001 - \$534).

Note 10 Approval of Financial Statements

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

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

Schedule 1

	<u>2002</u>		<u>2001</u>
	<u>Budget (a)</u>	<u>Actual</u>	<u>Actual</u>
Manpower Costs (a)	\$ 943	\$ 1,109	\$ 883
Supplies and Services	23,882	25,655	23,303
Grants	<u>15,075</u>	<u>14,170</u>	<u>12,301</u>
Total Expenses	<u>\$ 39,900</u>	<u>\$ 40,934</u>	<u>\$ 36,487</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
South Alberta Board
Budget**

Schedule 2

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

	2001 - 2002 Original Budget	Increases From Provincial Board	2001 - 2002 Current Budget
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 39,900	\$ 1,191	\$ 41,091
Expenses			
Community Living Supports	22,773	578	23,351
Employment Supports	2,544	61	2,605
Community Access Supports	7,970	181	8,151
Specialized Community Supports	273	5	278
Supports to Delivery System	6,233	367	6,600
Board Governance	107	(1)	106
	39,900	1,191	41,091
Net Operating Results	\$ -	\$ -	\$ -

The 2001 - 2002 Original Budget was approved 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 South Alberta Board. The final result of this direction is presented above as the 2001 - 2002 Current Budget, and was approved by the CEO of the Provincial Board on April 4, 2002.

The 2001 - 2002 Original Budget was approved by the South Alberta Board on June 20, 2001.

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

Schedule 3

	2002			2001
	Salaries/ Honoraria	Benefits and Allowances	Total	Total
Chair of the Board (a)	\$ 17	\$ -	\$ 17	\$ 11
Board Members (6 members) (a)(c)	\$ 27	\$ -	\$ 27	\$ 39
Chief Executive Officer (b)	\$ 98	\$ 5	\$ 103	\$ 87

- 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 seconded to the Board under an arrangement with the Department of Community Development.

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

- c. These positions were occupied by 9 different individuals at various intervals during the year.

**Persons with Developmental Disabilities
South Alberta Board
Allocated Costs
For the year ended March 31, 2002
(in thousands)**

Program	2002			2001 Total Expenses
	Expenses (1)	Expenses Incurred By Others (2)	Vacation Pay (3)	
Community Living Supports	\$ 22,767	\$ 45	\$ -	\$ 22,812
Employment Supports	2,021	-	-	2,021
Community Access Supports	9,132	-	-	9,132
Specialized Community Supports	290	-	-	290
Supports to Delivery System	6,620	94	11	6,725
Board Governance	104	-	-	104
	\$ 40,934	\$ 139	\$ 11	\$ 41,084
				\$ 37,389

- 1) Expenses - Directly Incurred as per Statement of Operations excluding vacation pay.
- 2) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5.
- 3) Provision for vacation pay has been allocated based on actual provision relating the program.

**Persons with Development Disabilities
South Alberta 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 and the Board.

The Board and the employees seconded 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	\$ 41,091	\$ 36,279	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 3	\$ -	\$ -
Department of Government Services	-	-	157	-
Department of Infrastructure	-	-	55	-
Department of Finance	-	-	2	-
	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 214</u>	<u>\$ -</u>
Accounts Receivable:				
Southeast Alberta Child and Family Services Authority	\$ -	\$ -	\$ 4	\$ 26

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	\$ -	\$ 734	\$ -	\$ -
Department of Infrastructure	-	-	139	153
	<u>\$ -</u>	<u>\$ 734</u>	<u>\$ 139</u>	<u>\$ 153</u>

Persons with Developmental Disabilities Foundation

Financial Statements

March 31, 2002

PERSONS WITH DEVELOPMENTAL DISABILITIES FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2002

Auditor's Report

Statement of Operations and Changes in Fund Balances

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Statement of Changes in Financial Position

Notes to the Financial Statements



AUDITOR'S REPORT

To 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 Foundation as at March 31, 2002 and the statements of operations and changes in fund balances, and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Foundation. 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 Foundation 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 17, 2002

Persons with Developmental Disabilities Foundation
Statement of Operations and Changes in Fund Balances
For the year ended March 31, 2002
(in thousands)

	2002			2001		
	Endowment Fund	General Fund	Total	Endowment Fund	General Fund	Total
Revenue						
Government Grants	\$ -	\$ 89	\$ 89	\$ -	\$ 357	\$ 357
Investment Income	-	190	190	-	179	179
Contributed Services	-	-	-	-	53	53
	-	279	279	-	589	589
Expenses						
Foundation Administration	-	15	15	-	64	64
Contracted Services	-	-	-	-	43	43
Contributed Services	-	-	-	-	54	54
Investment Management Fees	-	10	10	-	11	11
Grant Expenses	-	-	-	-	250	250
Foundation Salaries and Severance	-	-	-	-	151	151
	-	25	25	-	573	573
Net Operating Results	-	254	254	-	16	16
Fund Balances at Beginning of Year	2,502	288	2,790	2,502	272	2,774
Fund Balances at End of Year	\$ 2,502	\$ 542	\$ 3,044	\$ 2,502	\$ 288	\$ 2,790

The accompanying notes are part of these financial statements.

Persons with Developmental Disabilities Foundation
Statement of Financial Position
As at March 31, 2002
(in thousands)

	2002			2001		
	Endowment Fund	General Fund	Total	Endowment Fund	General Fund	Total
Assets						
Current Assets						
Cash and Short Term Investments (Note 7)	\$ -	\$ 301	\$ 301	\$ -	\$ 229	\$ 229
Accounts Receivable	-	40	40	-	49	49
Prepayments	-	-	-	-	3	3
	-	341	341	-	281	281
Non-Current Assets						
Investments (Note 7)	2,502	201	2,703	2,502	8	2,510
	\$ 2,502	\$ 542	\$ 3,044	\$ 2,502	\$ 289	\$ 2,791
Liabilities						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
Fund Balances						
Restricted	2,502	-	2,502	2,502	-	2,502
Unrestricted	-	542	542	-	288	288
	2,502	542	3,044	2,502	288	2,790
	\$ 2,502	\$ 542	\$ 3,044	\$ 2,502	\$ 289	\$ 2,791

The accompanying notes are part of these financial statements.

Persons with Developmental Disabilities Foundation
Statement of Changes in Financial Position
For the year ended March 31, 2002
(in thousands)

	<u>2002</u>	<u>2001</u>
Operating Activities		
Net Operating Results - General Fund	\$ 254	\$ 16
(Increase) Decrease in Non-cash Working Capital	<u>11</u>	<u>(54)</u>
	<u>265</u>	<u>(38)</u>
Investing Activities		
Investment Purchases	(193)	(256)
Proceeds on Sale of Investments	<u>-</u>	<u>279</u>
	<u>(193)</u>	<u>23</u>
Net Increase(Decrease) in Cash and Short-term Investments	72	(15)
Cash and Short-term Investments, Beginning of Year	<u>229</u>	<u>244</u>
Cash and Short-term Investments, End of Year	<u>\$ 301</u>	<u>\$ 229</u>

The accompanying notes are part of these financial statements.

**Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the Year Ended March 31, 2002
(in thousands)**

NOTE 1 DISCONTINUED OPERATIONS

As a result of recommendations regarding the Foundation in the Building Better Bridges report (released in January 2000), the Lieutenant Governor in Council authorized the Persons with Developmental Disabilities Foundation Winding-up Regulation (O.C. 140/2002 dated March 20, 2002). As a result, the Foundation has discontinued operations.

Pursuant to O.C. 140/2002, remaining fund balances are to be transferred to the Persons with Disabilities Provincial Board. As of May 22, 2002 none of the assets have been physically transferred to the Provincial Board.

NOTE 2 AUTHORITY

The Persons with Developmental Disabilities Foundation (the Foundation) is a non-taxable crown corporation that operates under the authority of the Persons with Developmental Disabilities Foundation Act and the Government Organization Act.

NOTE 3 PURPOSE

The purpose of the Foundation is to undertake, support and promote activities that will enhance the quality of life of persons with developmental disabilities in Alberta. In carrying out its purposes, the Foundation may, subject to the regulations, solicit and raise funds for capital projects, pilot projects or research.

**NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND
REPORTING PRACTICES**

(a) Reporting Entity

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

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the Year Ended March 31, 2002
(in thousands)

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) 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, prepayments and accounts payable and accrued liabilities are estimated to approximate their book value.

(c) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

(d) Revenue Recognition

Contributions related to general operations are recognized as revenue of the General Fund in the year they are received. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on resources of the Endowment Funds is reported in the General Fund.

Assets

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations.

Liabilities

Liabilities include all financial claims payable by the Foundation at fiscal year end.

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the Year Ended March 31, 2002
(in thousands)

NOTE 5 RESTRICTED FUNDS

Contributions to the endowment fund have been externally restricted to establish operating and capital endowment funds, the income from which is unrestricted.

NOTE 6 RELATED PARTY TRANSACTIONS

The Foundation received \$89 operating funding for 2001/2002 from the Department of Community Development.

NOTE 7 CASH AND INVESTMENTS

	2002		2001	
	Cost	Market	Cost	Market
Cash	\$ 301	\$ 301	\$ 229	\$ 229
Mutual Funds:				
Bond fund	2,703	2,738	2,510	2,601
Total Cash and investments	3,004	3,039	2,739	2,830
Held as non-current	2,703	2,738	2,510	2,601
Held as current assets	<u>\$ 301</u>	<u>\$ 301</u>	<u>\$ 229</u>	<u>\$ 229</u>

Michener Centre Facility Board

Financial Statements

March 31, 2002

MICHENER CENTRE FACILITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2002

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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
Michener Centre Facility Board

I have audited the statement of financial position of the Michener Centre Facility 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.

As disclosed in Note 9 to the financial statements, the Michener Centre Facility Board collects revenues for services it provides and remits them to the Minister of Finance. These amounts are not recorded in the statement of operations of the Michener Centre Facility Board but are reported in the financial statements of the Department of Community Development. The result of this departure from Canadian generally accepted accounting principles is to understate the Board's revenues by \$985,000.

In my opinion, except for the failure to record certain revenue as described in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Michener Centre Facility 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 11, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

Edmonton, Alberta
May 1, 2002

Original Signed By Fred Dunn, CA
Auditor General

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

	2002		2001
	Budget	Actual	Actual
	(Schedule 2)		(As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board Program Fund Revenue	\$ 43,582 -	\$ 44,986 661	\$ 43,689 623
	<u>43,582</u>	<u>45,647</u>	<u>44,312</u>
Expenses - Directly Incurred (Schedule 1 and Note 2)			
Programs			
Community Living Supports	21,183	22,156	21,526
Community Access Supports	2,581	2,617	2,821
Specialized Community Supports	1,460	1,699	1,658
Direct Operations	14,134	14,175	14,142
Supports to Delivery System	4,079	3,777	3,329
Board Governance	145	105	129
Program Fund Expenses	-	639	486
	<u>43,582</u>	<u>45,168</u>	<u>44,091</u>
Valuation Adjustments			
Provision for Vacation Pay	-	(261)	217
	<u>43,582</u>	<u>44,907</u>	<u>44,308</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 740</u>	<u>\$ 4</u>

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

**Michener Centre Facility Board
Statement of Financial Position
As at March 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 2,248	\$ 1,632
Accounts Receivable	53	31
Inventory	479	478
Capital Assets (Note 7)	990	374
	<u>\$ 3,770</u>	<u>\$ 2,515</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 5,050	\$ 4,535
Net Liabilities		
Net Liabilities, Beginning of Year	(2,020)	(2,024)
Net Operating Results	740	4
	<u>(1,280)</u>	<u>(2,020)</u>
	<u>\$ 3,770</u>	<u>\$ 2,515</u>

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

Michener Centre Facility 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	\$ 740	\$ 4
Non Cash Items		
Valuation Adjustment	(261)	217
Amortization	265	85
	<u>744</u>	<u>306</u>
Decrease (Increase) in Accounts Receivable	(22)	5,773
Decrease (Increase) in Inventory	(1)	228
Increase (Decrease) in Accounts Payable and Accrued Liabilities (a)	776	(1,805)
Cash Provided by Operating Transactions	<u>1,497</u>	<u>4,502</u>
Investing Transactions		
Purchase of Capital Assets	<u>(881)</u>	<u>(108)</u>
Net Cash Provided	616	4,394
Cash (Bank Overdraft), Beginning of Year	<u>1,632</u>	<u>(2,762)</u>
Cash, End of Year	<u>\$ 2,248</u>	<u>\$ 1,632</u>

(a) Adjusted for Accrued Vacation Pay non cash Valuation Adjustment.

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

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 1 Authority and Purpose

The Michener Centre Facility 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 Governance Act* and the *Government Organization Act*.

The Board provides program, health care services and accommodation in a home environment to adults with developmental disabilities through the operation of facilities located in Red Deer, Alberta and Youngstown, Alberta.

The services provided by the Board are part of an array of services in Alberta available to adults with developmental disabilities. The Board receives funding from the Department of Community Development. Reporting to the Department of Community Development through the Provincial Board, the Board acts in an administrative capacity with respect to the operation and future direction of Michener Centre, which includes Youngstown Home.

With respect to adults with developmental disabilities who receive services from the Board, the role of the Board is to determine priorities in the provision of the services, to develop, in accordance with the regulations and subject to the approval of the Provincial Board, a plan for the delivery of services, to oversee and evaluate the implementation of the plan and to manage funding and resources accordingly.

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.

During the 2000 – 2001 fiscal year, the Board reported to the Ministry of Health and Wellness. Effective March 19, 2001, the Board was transferred to the Ministry of Community Development.

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

Michener Centre Facility 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 are included in the Statement of Operations. Directly incurred expenses include:

- Amortization of capital assets
- Valuation Adjustments
Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to vacation pay
- Manpower Costs
Employees are assigned to the Board through an arrangement with the Ministry of Community Development. The cost of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Ministry of Community Development are included in the 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 5.

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 \$42 (2001 - \$41).

Assets

Financial assets of the Board include cash and financial claims, such as receivables from other organizations or other advances, as well as inventories held for future use.

Inventories are valued at the lower of cost and net realizable value, cost being determined by using the average cost method.

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 equipment is \$5. During the year, the Board changed the threshold for capitalizing equipment from \$15 to \$5. This change in accounting policy was applied on a prospective basis.

Liabilities

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

**Michener Centre Facility 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 (continued)

Net Liabilities

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

Note 3 Change in Vacation Pay and Program Fund Accounting Policies

In prior years, the 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.

In prior years, the Program Funds (previously called Restricted Funds Under Administration) were recorded in the notes to the financial statements only. In the current year, the Assets, Liabilities and Net Assets have been included in the Statement of Financial Position and the Revenue and Expenses have been included in the Statement of Operations as Program Fund Revenue and Program Fund Expenses. These funds are used to provide recreational, social and vocational opportunities and dental services for persons with developmental disabilities.

In prior years, some capital assets held and used by the Board were recorded in the financial statements of the Department of Human Resources and Employment. In the current year, these assets were transferred to the Board.

These changes in accounting policies have been applied retroactively and the figures have been restated to reflect these changes as follows:

	<u>2001</u>
Net Assets (Liabilities) Beginning of Year	
As previously reported	\$ 349
Adjustment for Vacation Pay	(3,422)
Adjustment for Asset transfer	13
Adjustment for Program Funds	<u>1,036</u>
Adjusted Net Assets (Liabilities) Beginning of Year	<u>\$ (2,024)</u>
Statement of Financial Position	
Cash increase	\$ 962
Accounts Receivable increase	29
Inventory increase	140
Capital Assets increase	60
Accounts Payable and Accrued Liabilities increase	3,644
Statement of Operations	
Program Fund Revenue increase	\$ 623
Program Fund Expense increase	486
Provision for Vacation Pay increase	217

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 4 Accounts Payable and Accrued Liabilities

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Vacation Pay Payable	\$ 3,378	\$ 3,639
Other Accounts Payable	<u>1,672</u>	<u>896</u>
	<u>\$ 5,050</u>	<u>\$ 4,535</u>

Note 5 Valuation of Financial Assets and Liabilities

The Board, as part of its' operations, has a number of financial instruments. It is management's opinion that the Board is not exposed to interest, currency or credit risks as a result of these financial instruments. The fair value of financial assets approximate their reported value.

Note 6 Voluntary Contributions

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

Note 7 Capital Assets

	<u>2002</u>				<u>2001</u> (As restated - Note 3)
	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer Equipment	5 yrs	\$ 436	\$ 425	\$ 11	\$ 13
Automotive Equipment	5 yrs	1,383	849	534	95
Other Equipment	10 yrs	<u>2,042</u>	<u>1,597</u>	<u>445</u>	<u>266</u>
		<u>\$ 3,861</u>	<u>\$ 2,871</u>	<u>\$ 990</u>	<u>\$ 374</u>

Note 8 Commitments

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

Service contracts (a)	\$ 2,425
Long-term leases (b)	<u>236</u>
	<u>\$ 2,661</u>

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

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 8 Commitments (continued)

(b) The Board leases certain equipment under operating leases that expire on various dates to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2003	\$	117
2004		49
2005		49
2006		21
		<hr/>
	\$	236
		<hr/> <hr/>

Note 9 Fee Revenue

(a) Maintenance Fee Revenue

The Board collects a fee from certain residents on behalf of the Provincial Treasurer as a contribution towards the services provided by the Board. Fees in the amount of \$803 were collected during the year (2001 - \$794). The fee rates are set by the Provincial Treasurer and the collected fees are remitted to the Provincial Treasurer. The revenue is reported in the financial statements of the Department of Community Development.

(b) Roland Michener Recreation Centre Revenue

The Board collects fees from external users of the Recreation Centre. The fees are remitted to the Provincial Treasurer. Fees in the amount of \$182 were collected during the year (2001 - \$206). The revenue is reported in the financial statements of the Department of Community Development.

Effective, April 2002, these revenues will be recorded in the financial statements of the Board.

Note 10 Trust Funds Under Administration

The Board administers trust funds on behalf of the clients. As at March 31, 2002, the trust funds under administration totaled \$269 (2001 - \$279). A separate bank account was set up for these funds in April 2002.

Note 11 Grandfathered Clients

When the *Persons with Developmental Disabilities Governance 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 system. In response to a recommendation from the *Building Better Bridges Report*, Government directed PDD Boards to continue to provide services to grandfathered individuals until service responsibility is reassigned to a more appropriate provincial program. Accordingly, expenses related to the care of the grandfathered individuals do not comply with the Act. The total cost of \$326 (2001 - \$309) for 3 grandfathered individuals has been included in the Directly Incurred Expenses on the Statement of Operations.

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 12 Board Governance

In June 2001, the Alberta Government approved the strategic response to *Building Better Bridges – Final Report on Programs and Services in Support of Persons with Developmental Disabilities*. This strategic response included a commitment to transfer responsibility for the governance of Michener Centre to the Persons with Developmental Disabilities Central Alberta Community Board.

The *Building Better Bridges* report also stated that:

- Michener Centre is to be maintained as a quality facility that delivers a full range of services for recipients who need this complex level of care.
- Preserving the site itself is not in question since it remains an important option with respect to the issue of choice.

As at May 23, 2002, the Minister of Community Development had not announced a transition date.

Note 13 Comparative Figures

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

Note 14 Approval of Financial Statements

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

**Michener Centre Facility Board
Expense Detailed by Object
For the year ended March 31, 2002
(in thousands)**

Schedule 1

	2002		2001
	<u>Budget</u> (Schedule 2)	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Manpower Costs (a)	\$ 34,970	\$ 35,538	\$ 34,576
Supplies and Services	8,612	9,365	9,430
Amortization of Capital Assets	-	265	85
Total Expenses	<u>\$ 43,582</u>	<u>\$ 45,168</u>	<u>\$ 44,091</u>

- (a) Manpower costs relate to employees assigned to the Board from the Ministry of Community Development and are not employees of the Board.

**Michener Centre Facility Board
Budget**

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

Schedule 2

	2001 - 2002 Original Budget (a)	Ministerial Approved Increases (b)	Increases From Provincial Board (c)	Facility Board Reallocation	2001 - 2002 Current Budget
Revenue					
Grant from Persons with Developmental Disabilities Provincial Board	\$ 43,582	\$ -	\$ 1,404	\$ -	\$ 44,986
Program Fund Revenue	-	675	-	-	675
	43,582	675	1,404	-	45,661
Expenses					
Community Living Supports	21,183	-	1,404	(473)	22,114
Community Access Supports	2,581	-	-	68	2,649
Specialized Community Supports	1,460	-	-	63	1,523
Direct Operations	14,134	-	-	(356)	13,778
Supports to Delivery System	4,079	-	-	338	4,417
Board Governance	145	-	-	-	145
Program Fund Expenses	-	675	-	-	675
	43,582	675	1,404	(360)	45,301
Net Operating Results	\$ -	\$ -	\$ -	\$ 360	\$ 360
Capital Investments	\$ -	\$ -	\$ -	\$ 360	\$ 360

- (a) An interim budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on May 31, 2001.
 (b) The Minister of Community Development approved a surplus neutral increase for revenue and expenses related to Program Fund Revenue and Expenses as described in Note 3.
 (c) 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 Michener Centre Facility Board.

**Michener Centre Facility 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)	\$25	\$0	\$25	\$30
Board Members (6 members) (a)	\$47	\$0	\$47	\$56
Chief Executive Officer (b)	\$97	\$20	\$117	\$132

(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 Ministry of Community Development. The Chief Executive Officer is assigned to the Facility Board under an arrangement with the Ministry of Community Development. This position was occupied by two individuals during the year.

Payments include salary, achievement bonus, retroactive pay and vacation payout.

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

**Michener Centre Facility Board
For Persons with Developmental Disabilities
Allocated Costs**

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

Schedule 4

Program	2002				2001	
	Expenses (1)	Expenses - Incurred by Others		Vacation Pay (4)	Total Expenses	Total Expenses (As restated - Note 3)
		Accommodation Costs (2)	Legal Costs (3)			
Community Living Supports	\$ 22,156	\$ 2,850	\$ -	(161)	\$ 24,845	\$ 24,458
Community Access Supports	2,617	489	-	(20)	3,086	3,383
Specialized Community Supports	1,699	146	-	(12)	1,833	1,819
Direct Operations	14,175	1,173	33	(51)	15,330	15,414
Supports to Delivery System	3,777	248	-	(17)	4,008	3,600
Board Governance	105	-	-	-	105	128
Program Fund Expenses	639	-	-	-	639	486
	<u>\$ 45,168</u>	<u>\$ 4,906</u>	<u>\$ 33</u>	<u>(261)</u>	<u>\$ 49,846</u>	<u>\$ 49,289</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.
- (4) Provision for vacation pay has been allocated based on actual provision relating to the program.

Michener Centre Facility 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	\$ 44,986	\$ 43,689	\$ -	\$ -
Expenses:				
Department of Government Services	\$ -	\$ -	\$ 604	\$ -
Department of Finance	-	-	59	-
Department of Infrastructure	-	-	82	19
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745</u>	<u>\$ 19</u>
Accounts Payable:				
Persons with Developmental Disabilities Provincial Board	\$ 520	\$ -	\$ -	\$ -

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 Justice	\$ -	\$ -	\$ 33	\$ -
Department of Infrastructure	-	-	4,906	4,981
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,939</u>	<u>\$ 4,981</u>

Alphabetical List Of Entities' Financial Information In Ministry 2001-02 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

<i>Ministry, Department, Fund or Agency</i>	<i>Ministry Annual Report</i>
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Dairy Control Board	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission, The	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation, The	Community Development
Alberta Insurance Council	Finance
Alberta Municipal Financing Corporation	Finance
Alberta Opportunity Company	Agriculture, Food and Rural Development
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Awasak Child and Family Services Authority	
Calgary Rocky View Child and Family Services Authority	
Child and Family Services Authority Region 13	
Child and Family Services Authority Region 14	
Diamond Willow Child and Family Services Authority	
Hearthstone Child and Family Services Authority	
Keystone Child and Family Services Authority	
Ma' Mowe Capital Region Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Neeagan Awas'sak Child and Family Services Authority	
Ribstone Child and Family Services Authority	
Sakaigun Asky Child and Family Services Authority	
Sakaw-Askiy Child and Family Services Authority	
Silver Birch Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Sun Country Child and Family Services Authority	
West Yellowhead Child and Family Services Authority	
Windsong Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta	Agriculture, Food and Rural Development

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

<i>Ministry, Department, Fund or Agency</i>	<i>Ministry Annual Report</i>
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation, The	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCore Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development ¹	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development ¹	Economic Development
Ministry of Energy	Energy
Ministry of Environment ¹	Environment
Ministry of Finance	Finance
Ministry of Executive Council ¹	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services ¹	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment ¹	Human Resources and Employment
Ministry of Infrastructure ¹	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations ¹	International and Intergovernmental Relations
Ministry of Justice ¹	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs ¹	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation ¹	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development

¹ Ministry includes only the department so separate department financial statements are not necessary.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

<i>Ministry, Department, Fund or Agency</i>	<i>Ministry Annual Report</i>
Persons with Developmental Disabilities Community Boards	
Calgary Community Board	Community Development
Central Community Board	Community Development
Edmonton Community Board	Community Development
Northeast Community Board	Community Development
Northwest Community Board	Community Development
South Community Board	Community Development
Persons with Developmental Disabilities Michener Centre Facility Board	Community Development
Persons with Developmental Disabilities Provincial Board	Community Development
S C Financial Ltd.	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation, The	Community Development

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

<i>Fund or Agency</i>	<i>Ministry Annual Report</i>
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account, The	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Universities Academic Pension Plan	Finance
Workers' Compensation Board	Human Resources and Employment

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Alberta
COMMUNITY DEVELOPMENT

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