

# **Persons with Developmental Disabilities Northwest Region Community Board**

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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)**

	<b>2002</b>		<b>2001</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
<b>Revenue</b>			
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>
<b>Expenses - Directly Incurred (Schedule 1 and Note 2b)</b>			
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>
<b>Net Operating Results</b>	<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)
<b>Assets</b>		
Cash	\$ 727	\$ 573
Accounts Receivable	1	93
Advances	-	1
	<u>\$ 728</u>	<u>\$ 667</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 760	\$ 743
	<u>760</u>	<u>743</u>
<b>Net Assets (Liabilities)</b>		
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)
<b>Operating Transactions</b>		
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>
<b>Cash Provided by Operating Transactions</b>		
<b>Cash (Overdraft), Beginning of Year</b>	<u>573</u>	<u>(444)</u>
<b>Cash, End of Year</b>	<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.

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 - \$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**

	<b>2002</b>		<b>2001</b>
	<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
<b>Revenue</b>			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 13,664	\$ 160	\$ 13,824
<b>Expenses</b>			
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>
<b>Net Operating Results</b>	<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>

