

Persons with Developmental Disabilities Edmonton Region Community Board

Financial Statements

March 31, 2003

**Persons with Developmental Disabilities
Edmonton Region Community Board
Financial Statements
March 31, 2003**

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AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Edmonton Region Community Board as at March 31, 2003 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 Edmonton Region Community Board as at March 31, 2003 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*.

Edmonton, Alberta
May 21, 2003

Original Signed by Fred J. Dunn, FCA
Auditor General

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

	2003		2002
	Budget (Schedule 2)	Actual	Actual
Revenues			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 111,093	\$ 116,105	\$ 106,329
Previous Year's Refund of Expenditures	-	228	133
Other	-	3	-
	<u>111,093</u>	<u>116,336</u>	<u>106,462</u>
Expenses – Directly Incurred (Note 2b and Schedule 1)			
Community Living Supports	71,701	76,812	68,542
Employment Supports	6,176	5,541	5,810
Community Access Supports	15,141	15,110	14,427
Specialized Community Supports	760	678	713
Direct Operations	1,356	1,301	1,239
Supports to Delivery System	15,835	16,468	15,719
Board Governance	126	126	136
	<u>111,095</u>	<u>116,036</u>	<u>106,586</u>
Valuation Adjustments			
Provision for Vacation Pay	-	(4)	16
	<u>111,095</u>	<u>116,032</u>	<u>106,602</u>
Net Operating Results	<u>\$ (2)</u>	<u>\$ 304</u>	<u>\$ (140)</u>

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Statement of Financial Position
As at March 31, 2003
(thousands of dollars)**

	2003	2002
Assets		
Cash	\$ 4,374	\$ 4,303
Accounts Receivable (Note 3)	234	114
Capital Assets (Note 7)	10	12
	\$ 4,618	\$ 4,429
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 5,390	\$ 5,505
	5,390	5,505
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(1,076)	(936)
Net Operating Results	304	(140)
Net Assets (Liabilities), End of Year	(772)	(1,076)
	\$ 4,618	\$ 4,429

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2003
(thousands of dollars)**

	2003	2002
Operating Transactions		
Net Operating Results	\$ 304	\$ (140)
Non-Cash Items		
Valuation Adjustment – Manpower	(4)	16
Amortization	2	2
	302	(122)
(Increase) in Accounts Receivable	(120)	(113)
(Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(111)	(57)
	71	(292)
Cash, Beginning of Year	4,303	4,595
Cash, End of Year	\$ 4,374	\$ 4,303

^(a) Adjusted for valuation adjustments.

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2003**

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*.

The Board reports to the Ministry of Community Development through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

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
Edmonton Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2003**

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

(b) Basis of Financial Reporting

Expenses

Directly Incurred

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

- Amortization of capital assets;
- Valuation Adjustments include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities; and
- The cost of salaries, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Community Development are included in Manpower Expense. Pension costs comprise the cost of employer contributions for current service of employees during the year.

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

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to community.

**Persons with Developmental Disabilities
Edmonton Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2003**

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

(b) Basis of Financial Reporting (continued)

Description of Program Expenses Reported on the Statement of Operations (continued)

Direct Operations – other expenses incurred to operate the following facilities:

- Eric Cormack Center and 11 community homes in the greater Edmonton area.

Supports to Delivery System – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5 and the amounts are not reported in the Statement of Operations.

Fees related to the audit of the March 31, 2003 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$32,000 (2002 – \$32,000).

Assets

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

Capital assets of the Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets.

The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is \$5,000. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2003**

Note 3 Accounts Receivable (thousands of dollars)

	2003		2002	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
GST	\$ 2	\$ -	\$ 2	\$ 1
IF Recovery ^(a)	20	-	20	-
Contract Vacancy	212	-	212	113
	\$ 234	\$ -	\$ 234	\$ 114

^(a) Individual Funding (IF)

Accounts receivable are unsecured and non-interest bearing.

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

	2003	2002
Accrued Grants to Individuals	\$ 3,737	\$ 4,207
Employee Accrued Vacation Pay and Manpower Costs	1,230	1,173
Accrued Supplies and Services	423	125
	\$ 5,390	\$ 5,505

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2003**

Note 7 Capital Assets (thousands of dollars)

	Estimated Useful Life	2003		2002	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 years	\$ 17	\$ 7	\$ 10	\$ 12

Note 8 Commitments (thousands of dollars)

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

	2003	2002
Service Contracts ^(a)	\$ 5,516	\$ 4,312
Long-term Leases ^(b)	3	3
	<u>\$ 5,519</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:

2004	\$ 1
2005	1
2006	1
	<u>\$ 3</u>

Note 9 Trust Fund Under Administration (thousands of dollars)

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, 2003 trust funds under administration were as follows:

	2003	2002
Donation to Clients	\$ 3	\$ 3
Client Trust Funds	56	74
	<u>\$ 59</u>	<u>\$ 77</u>

**Persons with Developmental Disabilities
Edmonton Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2003**

Note 10 Grandfathered Clients (thousands of dollars)

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 and agencies which were receiving services prior to the passing of the *Act* but which no longer met these new criteria for Persons with Developmental Disabilities (PDD) supports were grandfathered in to 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 and agencies until service responsibility is handed-off to a more appropriate provincial program.

Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*. The total cost of these services for 16 (2002 – 18) individuals that have been included in the Statement of Operations is estimated to be \$1,000 (2002 – \$1,059). The total cost for nine agencies that has been included in the Statement of Operations is estimated to be \$1,412 (2002 – \$1,429).

Note 11 Comparative Figures

Certain 2002 figures have been reclassified to conform to the 2003 presentation.

Note 12 Approval of Financial Statements

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Expenses – Directly Incurred Detailed By Object
For the year ended March 31, 2003
(thousands of dollars)**

	2003		2002
	Budget	Actual	Actual
Manpower Costs ^(a)	\$ 13,907	\$ 13,392	\$ 12,386
Supplies and Services	44,338	56,899	47,908
Grants	52,848	45,743	46,290
Amortization of Capital Assets	2	2	2
	\$ 111,095	\$ 116,036	\$ 106,586

^(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
Edmonton Region Community Board
Budget
For the year ended March 31, 2003
(thousands of dollars)

	2002-2003 Original Budget	Transfer of Responsibility ^(a)	Reallocation From Provincial Board	2002-2003 Current Budget
Revenue				
Grant from Persons with Development Disabilities Provincial Board	\$ 111,093	\$ (59)	\$ 5,071	\$ 116,105
Other Revenue	-	-	115	115
	<u>\$ 111,093</u>	<u>\$ (59)</u>	<u>\$ 5,186</u>	<u>\$ 116,220</u>
Expenses				
Community Living Supports	71,701	(59)	5,356	76,998
Employment Supports	6,176	-	(635)	5,541
Community Access Supports	15,141	-	(31)	15,110
Specialized Community Supports	760	-	(82)	678
Direct Operations	1,356	-	(55)	1,301
Supports to Delivery System	15,835	-	633	16,468
Board Governance	126	-	-	126
	<u>111,095</u>	<u>(59)</u>	<u>5,186</u>	<u>116,222</u>
Net Operating Results	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>

An interim budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on May 14, 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 Edmonton Community Board on December 13, 2002 and March 13, 2003.

^(a) A contract serving the deaf and hard-of-hearing was transferred to the Department of Community Development effective September 1, 2002 and grant funding for the contract was reduced accordingly.

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

	2003			2002
	Salaries / Honoraria	Benefits and Allowances	Total	Total
Chair of the Board ^(a)	\$ 30	\$ -	\$ 30	\$ 31
Board Members ^{(a)(c)}	60	-	60	77
Chief Executive Officer ^(b)	109	17	126	129

(a) These amounts represent honoraria payments made to the Chair (occupied by two individuals during the year) and Members of the Board.

(b) These payments are made to the Chief Executive Officer (occupied by two individuals during the year) under contract with the Department of Community Development. The salary amount includes an earned vacation payment of \$13. 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, pension and short term disability plan.

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

**Persons with Developmental Disabilities
Edmonton Region Community Board
Allocated Costs
For the year ended March 31, 2003
(thousands of dollars)**

Program	2003				2002	
	Expenses ^(a)	Expenses – Incurred by Others		Vacation Pay ^(c)	Total Expenses	Total Expenses
		Accommodation Costs ^(b)	Legal Services ^(d)			
Community Living Supports	\$ 76,812	\$ 786	\$ -	\$ (7)	\$ 77,591	\$ 69,183
Employment Supports	5,541	-	-	-	5,541	5,810
Community Access Supports	15,110	-	-	-	15,110	14,427
Specialized Community Supports	678	-	-	-	678	713
Direct Operations	1,301	-	-	-	1,301	1,239
Supports to Delivery System	16,468	306	5	3	16,782	16,954
Board Governance	126	-	-	-	126	136
	<u>\$ 116,036</u>	<u>\$ 1,092</u>	<u>\$ 5</u>	<u>\$(4)</u>	<u>\$ 117,129</u>	<u>\$ 108,462</u>

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

^(b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 5.

^(c) Provision for vacation pay has been allocated based on actual provision relating to the program

^(d) Costs shown for Legal Services per Schedule 5.

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

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

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
Revenues				
Persons with Development Disabilities Provincial Board	\$ 116,105	\$ 106,329	\$ -	\$ -
Expenses				
Department of Innovation and Science	\$ -	\$ -	\$ 235	\$ -
Department of Finance	-	-	-	19
Department of Government Services	-	-	410	364
Department of Infrastructure	-	-	-	163
CFSA #10 – Ma'Mowe Capital Region	-	-	102	53
	-	-	747	599
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.

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
Expenses – Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 1,092	\$ 1,860
Department of Justice	-	-	5	-
	\$ -	\$ -	\$ 1,097	\$ 1,860

