

# FINANCIAL INFORMATION

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# Ministry of Community Development

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Consolidated Financial Statements

March 31, 2004

**Ministry of Community Development  
Consolidated Financial Statements  
March 31, 2004**

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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, 2004 and the consolidated statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry. 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 15, 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 and surpluses have not been reported in these financial statements. We estimate that the omission of the amounts has resulted in net revenues and net assets at March 31, 2004 being understated by approximately \$882,000 (2003 - \$768,000) and \$10,000,000 (2003 - \$8,963,000) respectively.

In my opinion, except for the effect of the matters discussed in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 13, 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*.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Ministry of Community Development  
Consolidated Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedule 1)			
Internal Government Transfers	\$ 76,160	\$ 72,144	\$ 56,298
Transfers from the Government of Canada	16,097	17,514	15,470
Investment Income	1,484	1,364	1,225
Premiums, Fees and Licences	9,797	8,792	8,271
Other Revenue	7,324	11,471	9,381
	<u>110,862</u>	<u>111,285</u>	<u>90,645</u>
Expenses – Directly Incurred (Note 2(c) and Schedules 2, 3 and 6)			
Support Individuals and Organizations through Community Development	96,671	92,697	74,775
Protect Human Rights, and Promote Fairness and Access	4,811	4,821	4,488
Support the Protection, Inclusion and Participation of All Albertans	451,699	445,936	408,447
Preserve, Protect and Present Alberta’s History and Culture	36,322	37,979	38,169
Preserve, Protect and Present Alberta’s Provincial Parks and Protected Areas	46,025	40,325	37,474
Ministry Support Services	11,613	10,239	8,888
	<u>647,141</u>	<u>631,997</u>	<u>572,241</u>
Valuation Adjustments			
Provision for Doubtful Accounts	-	34	30
Provision for Vacation Pay	217	1,533	741
	<u>217</u>	<u>1,567</u>	<u>771</u>
Total Expenses	<u>647,358</u>	<u>633,564</u>	<u>573,012</u>
(Gain) Loss on Disposal of Tangible Capital Assets	<u>(1,179)</u>	<u>(2)</u>	<u>9,165</u>
Net Operating Results	<u>\$ (535,317)</u>	<u>\$ (522,277)</u>	<u>\$ (491,532)</u>

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

**Ministry of Community Development**  
**Consolidated Statement of Financial Position**  
**As at March 31, 2004**  
**(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 46,422	\$ 39,695
Accounts Receivable, Prepaid Expenses and Inventories (Note 4)	2,815	2,488
Long Term Investments (Note 5)	11,635	11,346
Tangible Capital Assets (Note 6)	184,572	188,499
	<u>\$ 245,444</u>	<u>\$ 242,028</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 50,371	\$ 45,795
Unearned Revenue	736	1,238
	<u>51,107</u>	<u>47,033</u>
<b>Net Assets</b>		
Net Assets, Beginning of Year	194,995	214,347
Net Operating Results	(522,277)	(491,532)
Net Transfer from General Revenues	521,619	472,180
	<u>194,337</u>	<u>194,995</u>
Net Assets, End of Year (Note 8)	<u>\$ 245,444</u>	<u>\$ 242,028</u>

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

**Ministry of Community Development**  
**Consolidated Statement of Cash Flow**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ (522,277)	\$ (491,532)
Non-cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	9,727	9,890
Valuation Adjustments	1,567	771
(Gain) Loss on Disposal of Tangible Capital Assets	(2)	9,165
Grants in Kind	-	3,691
	(510,985)	(468,015)
(Increase) Decrease in Accounts Receivable, Prepaid Expenses and Inventories before Valuation Adjustments	(361)	981
Increase in Accounts Payable and Accrued Liabilities before Valuation Adjustments	3,043	360
Decrease in Unearned Revenue	(502)	(1,296)
Cash Applied to Operating Transactions	(508,805)	(467,970)
Capital Transactions		
Acquisition of Tangible Capital Assets	(6,009)	(2,142)
Disposal of Tangible Capital Assets	625	18
Transfers of Tangible Capital Assets	(120)	(552)
Donation of Tangible Capital Assets	(294)	-
Cash Applied to Capital Transactions	(5,798)	(2,676)
Investing Transactions:		
Acquisition of Investments	(289)	(176)
Cash Applied to Investing Transactions	(289)	(176)
Financing Transactions		
Net Transfer from General Revenues	521,619	472,180
Increase in Cash	6,727	1,358
Cash and Short Term Investments, Beginning of Year	39,695	38,337
Cash and Short Term Investments, End of Year	\$ 46,422	\$ 39,695

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

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**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 enhance and preserve the quality of life for Albertans. This is done by:

- Supporting a high quality of life in Alberta by working in collaboration with individuals, organizations and communities to increase local capacity for self-reliance in the arts and culture, sport and recreation, library and voluntary sectors;
- Increasing 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 that Albertans with disabilities have the opportunity to be fully included in the social, economic and cultural life of the province and that adult Albertans in care are protected from abuse;
- Preserving, protecting, presenting, researching and promoting appreciation for Alberta's historical resources and culture and providing opportunities for heritage tourism; and
- Maintaining Alberta's provincial parks and protected areas to preserve the province's natural heritage and providing opportunities for heritage appreciation, outdoor recreation and heritage tourism.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

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

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

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

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

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.

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

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

**(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.

Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value 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.

**Dedicated Revenue**

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are 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.

**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.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets;
- Pension costs which comprise the cost of employer contributions for current service of employees during the year; and

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

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

**(c) 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 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.

Assets acquired by right are not included. Tangible 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 tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible 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 Ministry are not recorded as assets. Purchases of collection items are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.



**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

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

**(c) Basis of Financial Reporting (continued)**

**Liabilities**

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

**Net Assets**

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

Restricted funds, endowment funds, and general reserves (Note 8) 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.

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. In addition, the endowment fund can include internally restricted funds to be used for identified purposes, or for retaining an ongoing funding capability.

**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, long-term investments, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 3 Cash (thousands of dollars)**

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 three 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.

	2004	2003
Cash	\$ 54,589	\$ 47,862
Less Appropriated for Non-current Use (Note 5)	(8,167)	(8,167)
	\$ 46,422	\$ 39,695

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

Cash in the amount of \$1,818 has been externally restricted and \$336 has been internally restricted and is therefore not available to pay for operating expenses.

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 4 Accounts Receivable, Prepaid Expenses and Inventories (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1,762	\$ (57)	\$ 1,705	\$ 1,341
Refunds from Suppliers	327	-	327	307
Advances	-	-	-	55
Others Including Prepaids and Inventories	783	-	783	785
	<u>\$ 2,872</u>	<u>\$ (57)</u>	<u>\$ 2,815</u>	<u>\$ 2,488</u>

Accounts receivable are unsecured and non-interest bearing.

**Note 5 Long Term Investments (thousands of dollars)**

	Effective Interest Rate	2004		2003	
		Cost	Market	Cost	Market
Deposit with Life Insurance Companies Maturing in 2008 <sup>(a)</sup>	5.125%	\$ 300	\$ 300	\$ 300	\$ 300
Mutual Funds-Bond Fund		3,168	3,311	2,879	2,992
Cash and Short Term Investments Appropriated for Non-current Use <sup>(b)</sup>		8,167	8,167	8,167	8,167
		<u>\$ 11,635</u>	<u>\$ 11,778</u>	<u>\$ 11,346</u>	<u>\$ 11,459</u>

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

<sup>(b)</sup> 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**  
**Year ended March 31, 2004**

**Note 6 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004			2003
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>General Capital Assets</b>					
Land	N/A	\$ 39,934	\$ -	\$ 39,934	\$ 39,740
Buildings	20-40 years	107,781	(60,934)	46,847	49,029
Computer Hardware and Software	3-8 years	3,080	(2,175)	905	452
Equipment	3-15 years	24,940	(17,810)	7,130	3,687
Other	7-20 years	16,992	(14,568)	2,424	3,192
		<u>192,727</u>	<u>(95,487)</u>	<u>97,240</u>	<u>96,100</u>
<b>Infrastructure Assets</b>					
Land Improvements	40 years	138,259	(70,364)	67,895	71,650
Highways and Roads	40 years	47,428	(30,166)	17,262	18,522
Bridges	60 years	2,894	(719)	2,175	2,227
		<u>188,581</u>	<u>(101,249)</u>	<u>87,332</u>	<u>92,399</u>
		<u>\$ 381,308</u>	<u>\$ (196,736)</u>	<u>\$ 184,572</u>	<u>\$ 188,499</u>

**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 Ministry has not recorded the value of these collections in the consolidated financial statements due to the practical difficulties of reflecting them at a meaningful value. The collections are insured for \$372 million. A description of the major collections is as follows:

- (a) The Province, through the Historic Sites and Cultural Facilities Branch, preserves and presents 9 historic sites that contain 48 restored historic buildings/structures and 3 stabilized ruins. The Branch also operates 3 interpretive centers, 2 museums and 2 cultural facilities. As well, it administers an additional 3 historic sites which contain 58 undeveloped historic buildings/structures. In addition, the Branch owns 1 developed historic resource (leased to a society), 13 cairns, 4 archaeological sites and 1 palaeontological site. 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**  
**Year ended March 31, 2004**

**Note 7 Collections (continued)**

- (b) The Provincial Museum of Alberta maintains 13 Curatorial programs, with total collection holdings comprising approximately 10 million objects. This includes more than 1,220,000 objects on-site; over 12,000 warehoused objects off site and another estimated 8,660,000 archaeological artifacts collected as part of the Archaeological Survey of Alberta permit process. The collections represent a highly diverse complement of cultural and natural heritage. These include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, as well as industrial, domestic, and textile collections; and the permitted archaeological materials recovered in Alberta, all with associated images, audio and books.
- (c) The Royal Tyrrell Museum of Palaeontology collection has over 109,000 catalogued items including original and replica fossils. Annually, approximately 2,000 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 3,100 major and 3,400 smaller artifacts. Included in these numbers are 80 vintage aircraft, 8 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering over 50,000 pieces, related to the museum's mechanization themes.
- (e) The Remington Carriage Museum houses one of the largest collections of horse drawn vehicles in North America, with 265 carriages, buggies, wagons and sleighs, and approximately 690 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of approximately 47,500 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 approximately 36,500 linear metres of government textual records; 4,590 linear metres of private textual records; 61,800 maps; 27,600 architectural drawings; 2,090,000 photographic images; 46,800 hours of sound recordings; 66,000 hours of film and video materials; and 12,300 volumes of library holdings.
- (h) The Collection Management Unit of the Arts Branch, manages 14 collections containing approximately 1,500 donated, purchased and/or commissioned artworks.

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 7 Collections (continued)**

- (i) The Glenbow-Alberta Institute, under contract to the Cultural Facilities and Historical Resources Division, manages the care of, and access to, a publicly owned collection of approximately 226,000 artifacts in cultural history, military history, ethnology, art and mineralogy; approximately 5 shelf kilometres of textual and archival records; over 2,100,000 historical photographs; about 350 hours of film footage; and 7,200 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, 2004, the collection consisted of approximately 379 (2003 – 379) pieces of artworks and other items, with an approximate value \$948,342 (2003 – \$948,342). During the year, the Government House Foundation purchased artworks at a total cost of Nil (2003 – Nil). There were no contributions to the collections during the year, (2003 – Nil), and there were no disposals during the year (2003 – Nil).

- (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 7,148 (2003 – 6,939) artworks with an approximate value of \$7,844,000 (2003 – \$7,439,000). During the year, the Alberta Foundation for the Arts purchased 108 (2003 – 110) artworks by Alberta artists at a total cost of \$289,555 (2003 – \$249,955). Contributions to the collection included 114 (2003 – 47) artworks with an appraised value of \$117,188 (2003 – \$112,975). There were 13 artwork disposals during the year for \$2,237 (2003 – \$1,307).
- (l) The Alberta Historical Resources Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and antique furnishings. At year end, the collection consisted of 401 (2003 – 410) artworks with an estimated value of \$16,950 (2003 – \$17,290), and 30 (2003 – 30) antique furnishings estimated at \$12,700 (2003 – \$12,700). During the year, the Alberta Historical Resources Foundation did not acquire any historical assets (2003 – Nil) and there were 9 (2003 – 6) dispositions.
- (m) The Alberta Sport, Recreation, Parks and Wildlife Foundation has a collection of artworks consisting of 22 (2003 – 23) prints of the Waterfowl of North America Collection # 1250 with an approximate value of \$6,290 (2003 – \$6,558). During the year, there was 1 (2003 – 2) disposition. The proceeds received of \$140 (2003 – \$275) were donated to the Alberta Sports Hall of Fame and Museum for charitable purposes.

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 8 Net Assets (thousands of dollars)**

	<u>2004</u>	<u>2003</u>
Unrestricted Funds	\$ 179,067	\$ 179,885
Endowment Funds	9,416	9,415
Externally Restricted Funds	3,749	3,591
General Reserves	1,967	1,967
Internally Restricted Funds	<u>138</u>	<u>137</u>
	<u>\$ 194,337</u>	<u>\$ 194,995</u>

**Note 9 Commitments (thousands of dollars)**

As at March 31, 2004, the Ministry had commitments for leases, contracts and grants approved but not expended, pending fulfillment of eligibility conditions as follows:

	<u>2004</u>	<u>2003</u>
Service Contract and Grant Commitments	\$ 52,767	\$ 50,492
Lease Commitments <sup>(a)</sup>	<u>2,220</u>	<u>2,039</u>
	<u>\$ 54,987</u>	<u>\$ 52,531</u>

<sup>(a)</sup> 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:

	<u>2004</u>
2004-2005	\$ 977
2005-2006	632
2006-2007	366
2007-2008	131
2008-2009	58
Thereafter	<u>56</u>
	<u>\$ 2,220</u>

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 10 Contingencies (thousands of dollars)**

The Ministry has a contingent liability in respect of fifteen claims (2003 – fourteen claims) aggregating \$1.7 million (2003 – \$2.7 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, 2004, the Ministry is a defendant in ten other legal claims (2003 – nine legal claims). Nine of these claims have specified amounts totalling \$1,501 and the remaining one has no specified amount (2003 – eight claims with a specified amount of \$1,406 and one with no specified amount). Included in the total legal claims are three claims amounting to \$250 (2003 – one claims with no specified amount) in which the Department has been jointly named with other entities. Seven claims amounting to \$1,221 (2003 – four claims amounting to \$926) are covered by the Alberta Risk Management Fund.

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

Certain contingent liabilities may exist for site remediation and reclamation, which may be the responsibility of the Ministry. The potential costs relate to restoring buildings and other sites to acceptable contractual standards. The preliminary estimate of the amount of such potential contingent liabilities is \$2,456. Costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

**Note 11 Trust Funds Under Administration (thousands of dollars)**

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, 2004, trust funds under administration were as follows:

	2004	2003
Parks General Trust and Performance Deposits	\$ 329	\$ 308
Gakken Dinosaur Exhibit Trust Fund	159	154
Persons with Developmental Disabilities Community Board's Client Trust Funds	355	377
Fort Dunvegan Historical Society Trust Fund	6	6
	<u>\$ 849</u>	<u>\$ 845</u>

In addition to the above trust funds under administration, the Ministry holds bank guarantees in the form of letters of credit in the amount of \$1,499 (2003 restated – \$1,602).



**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 12 Defined Benefit Plans (thousands of dollars)**

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 \$6,967 for the year ended March 31, 2004 (2003 – \$5,463).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of \$290,014 (2002 – \$301,968) and the Public Service Pension Plan reported an actuarial deficiency of \$596,213 (2002 – \$175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of \$9,312 (2002 – \$6,472).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of \$9,766 (2003 – \$14,434) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$1,298 (2003 – actuarial deficiency of \$3,053). The expense for these two plans is limited to employer's annual contributions for the year.

**Note 13 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 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 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 117 (2003 – 129) individuals that have been included in the Consolidated Statement of Operations is estimated to be \$3,798 (2003 restated – \$3,856). The total cost for 7 (2003 – 11) agencies that have been included in the Statement of Operations is estimated to be \$1,657 (2003 – \$2,432).

**Ministry of Community Development**  
**Notes to the Consolidated Financial Statements**  
**Year ended March 31, 2004**

**Note 14 Services Provided by Regional Health Authorities (thousands of dollars)**

The Ministry incurred \$2,558 (2003 – \$2,484), \$2,125 (2003 – \$2,063), and \$353 (2003 – \$352) for contract services rendered by the Palliser Regional Health Authority, Chinook Regional Health Authority, and David Thompson Regional Health Authority, respectively. These transactions were recorded at the amount of consideration agreed upon between the parties.

**Note 15 Economic Interest**

The Ministry has entered into cooperating agreements and provided exclusive licences to two not-for-profit organizations to operate and provide front-of-house and related activities at the Northern Alberta Jubilee Auditorium and the Southern Alberta Jubilee Auditorium. These not-for-profit organizations are incorporated under the *Societies Act* (Alberta) and function independently of the Ministry. The cooperating agreements and licences expire on March 31, 2005.

Under the cooperating agreements, the societies are required to direct all revenues generated towards programs and services in support of the respective auditorium. Cash in excess of working capital requirements is placed by the societies into a capital reinvestment trust fund. As at March 31, 2004 the two societies had \$8,599,877 (2003 – \$8,332,256) held as restricted funds to be utilized specifically for capital upgrading and major renovations of the auditoriums. The Ministry is not responsible for any liabilities of either society.

The Ministry had also entered into cooperating agreements with other not-for-profit societies to operate admission services at various Ministry sites. These agreements were terminated on March 31, 2000. Upon termination, funds held by these societies for facility reinvestment were donated to the Ministry to be used for the same purpose. These funds have been placed in the Historical Resources Fund and held as deferred contributions until such time as the funds are used for the purposes intended. As at March 31, 2004 this portion of the deferred contributions amounted to \$215,671 (2003 – \$305,638). In addition to the deferred contributions, two not-for-profit societies have retained facility reinvestment funds. As at March 31, 2004 the funds retained amounted to \$109,264 (2003 – \$130,786).

**Note 16 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 17 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**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
<b>Internal Government Transfers</b>			
Transfer from the Lottery Fund	\$ 76,105	\$ 72,105	\$ 56,256
Transfer from Alberta Heritage Scholarship Fund	55	39	42
	<u>76,160</u>	<u>72,144</u>	<u>56,298</u>
<b>Transfer from the Government of Canada</b>			
Canada Health and Social Transfers	14,642	16,054	14,896
Other	1,455	1,460	574
	<u>16,097</u>	<u>17,514</u>	<u>15,470</u>
<b>Investment Income</b>			
Interest	1,484	1,364	1,225
<b>Premiums, Fees and Licences</b>			
Admission Fees	4,341	3,783	3,820
Film Classification	500	805	493
Maintenance Fees	675	1,044	885
Lands and Grazing	415	515	472
Other	3,866	2,645	2,601
	<u>9,797</u>	<u>8,792</u>	<u>8,271</u>
<b>Other Revenue</b>			
Donations and Contributions in Kind	2,052	3,052	3,218
Refunds of Expenses	745	3,529	1,202
Sales	605	1,142	1,113
Rental Revenue	135	137	741
Miscellaneous	3,787	3,611	3,107
	<u>7,324</u>	<u>11,471</u>	<u>9,381</u>
<b>Total Revenues</b>	<u>\$ 110,862</u>	<u>\$ 111,285</u>	<u>\$ 90,645</u>

**Ministry of Community Development  
Dedicated Revenue Initiatives  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues <sup>(a)</sup>	(Shortfall) / Excess <sup>(f)</sup>
Park Operations <sup>(b)</sup>	\$ 4,350	\$ 3,913	\$ (437)
Cultural Facilities and Historical Resources <sup>(c)</sup>	1,000	1,362	362
Heritage Resources Management <sup>(d)</sup>	755	735	(20)
Francophone Secretariat <sup>(e)</sup>	350	365	15
	<u>\$ 6,455</u>	<u>\$ 6,375</u>	<u>\$ (80)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Ministry's revenues in the Statement of Operations.
- (b) The Parks and Protected Areas division collects various fees and other revenues that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others.
- (c) Cultural facilities and historical resources dedicated revenue is related to donations of artifacts and other items to various historic sites and cultural facilities.
- (d) The Government of Canada has provided funding to provinces and territories to further the goals of the Historic Places Initiative. The funds are intended to promote development of the Canadian Register of Historic Places, use of nation-wide standards and guidelines and, in particular, greater municipal involvement in the identification and protection of historic places.
- (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**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 269,668	\$ 221,384	\$ 207,738
Supplies and Services	234,789	275,882	235,962
Salaries, Wages and Employee Benefits	132,195	125,851	116,953
Amortization of Tangible Capital Assets	9,791	9,727	9,890
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	-	46	3,193
Financial Transactions and Other	698	142	137
	647,141	633,032	573,873
Less: Recovery from Support Service Arrangements with Related Parties <sup>(b)</sup>	-	(1,035)	(1,632)
Total Expenses	\$ 647,141	\$ 631,997	\$ 572,241
Valuation Adjustments			
Provision for Doubtful Accounts	\$ -	\$ 34	\$ 30
Provision for Vacation Pay	217	1,533	741
	\$ 217	\$ 1,567	\$ 771

<sup>(a)</sup> The Ministry received financial and administrative services from the Ministry of Human Resources and Employment.

<sup>(b)</sup> The Ministry provided specialized program supports to children who are the responsibility of the Calgary and Area Child and Family Services Authority. Costs incurred for these services are recovered from the Calgary and Area Child and Family Services Authority.

**Ministry of Community Development  
Budget  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004				
	Estimates	Adjustment <sup>(a)</sup>	Budget	Authorized Supplementary <sup>(b)</sup>	Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	\$ 76,160	\$ -	\$ 76,160	\$ -	\$ 76,160
Transfers from the Government of Canada	16,097	-	16,097	-	16,097
Investment Income	1,484	-	1,484	-	1,484
Premiums, Fees and Licences	9,797	-	9,797	-	9,797
Other Revenue	7,324	-	7,324	-	7,324
	<u>110,862</u>	<u>-</u>	<u>110,862</u>	<u>-</u>	<u>110,862</u>
<b>Expenses</b>					
Support Individuals and Organizations through Community Development Protect Human Rights, and Promote Fairness and Access	96,671	-	96,671	(1,342)	95,329
Support the Protection, Inclusion and Participation of All Albertans	4,811	-	4,811	-	4,811
Preserve, Protect and Present Alberta's History and Culture	451,699	-	451,699	-	451,699
Preserve, Protect and Present Alberta's Provincial Parks and Protected Areas	36,322	-	36,322	900	37,222
Ministry Support Services	46,025	-	46,025	2,442	48,467
Dedicated Revenue Shortfall	11,613	-	11,613	-	11,613
	-	(80)	(80)	-	(80)
	<u>647,141</u>	<u>(80)</u>	<u>647,061</u>	<u>2,000</u>	<u>649,061</u>
<b>Valuation Adjustments</b>					
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	217	-	217	-	217
	<u>217</u>	<u>-</u>	<u>217</u>	<u>-</u>	<u>217</u>
	<u>647,358</u>	<u>(80)</u>	<u>647,278</u>	<u>2,000</u>	<u>649,278</u>
Gain on Disposal of Tangible Capital Assets	(1,179)	-	(1,179)	-	(1,179)
<b>Net Operating Results</b>	<u>\$ (535,317)</u>	<u>\$ 80</u>	<u>\$ (535,237)</u>	<u>\$ (2,000)</u>	<u>\$ (537,237)</u>
Equipment/Inventory Purchases	\$ 510	\$ -	\$ 510	\$ -	\$ 510
Capital Investment	<u>\$ 1,262</u>	<u>\$ -</u>	<u>\$ 1,262</u>	<u>\$ -</u>	<u>\$ 1,262</u>

<sup>(a)</sup> Adjustments include dedicated revenue shortfalls.

<sup>(b)</sup> Supplementary estimates of \$1,000 were approved on December 4, 2003. In addition, on November 14, 2003, Treasury Board approved a one-time increase of \$1,000 to access the fund balance of the Alberta Foundation for the Arts for the Alberta Film Development Program.

**Ministry of Community Development  
Related Party Transactions  
Year ended March 31, 2004  
(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, 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 Ministry receives services under contracts managed by the Ministry of Government Services (ACSC). Any commitments under these contracts are reported by the Ministry of Government Services (ACSC).

The Ministry had the following transactions with related parties recorded on the consolidated Statement of Operations and the consolidated Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2004	2003
Revenues		
Lottery Fund	\$ 72,105	\$ 56,256
Alberta Heritage Scholarship Fund	39	42
	<u>\$ 72,144</u>	<u>\$ 56,298</u>
Expenses – Directly Incurred		
Other Services	<u>\$ 9,753</u>	<u>\$ 9,435</u>
Tangible Capital Assets Transferred From (To) Others	<u>\$ 120</u>	<u>\$ 552</u>
Accounts Receivable	<u>\$ 12</u>	<u>\$ 22</u>
Accounts Payable	<u>\$ 6</u>	<u>\$ 6</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 consolidated financial statements and are disclosed in Schedule 6.

	Other Entities	
	2004	2003
Expenses – Incurred by Others		
Accommodation	\$ 31,381	\$ 30,077
Parks Maintenance	1,587	1,500
Legal	341	390
	<u>\$ 33,309</u>	<u>\$ 31,967</u>

**Ministry of Community Development  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004		2003			
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others	Valuation Adjustments <sup>(e)</sup>	Total Expenses		
	Accommodation Costs <sup>(b)</sup>	Park Maintenance <sup>(c)</sup>	Legal Services <sup>(d)</sup>	Doubtful Accounts	Vacation Pay	Total Expenses
Support Individuals and Organizations through Community Development	\$ 92,697	\$ 1,808	\$ 80	\$ -	\$ 58	\$ 94,643
Protect Human Rights, and Promote Fairness and Access	4,821	125	1	-	18	4,965
Support the Protection, Inclusion and Participation of All Albertans	445,936	10,307	55	-	1,181	457,479
Preserve, Protect and Present Alberta's History and Culture	37,979	17,468	73	18	107	55,318
Preserve, Protect and Present Alberta's Provincial Parks and Protected Areas	40,325	1,372	87	16	147	43,534
Ministry Support Services	10,239	301	45	-	22	10,607
	<u>\$ 631,997</u>	<u>\$ 31,381</u>	<u>\$ 341</u>	<u>\$ 34</u>	<u>\$ 1,533</u>	<u>\$ 666,873</u>
						<u>\$ 604,979</u>

<sup>(a)</sup> Expenses – Directly Incurred as per Consolidated Statement of Operations, excluding valuation adjustments.

<sup>(b)</sup> Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5, allocated by square footage.

<sup>(c)</sup> The Department of Transportation provides road and bridge maintenance to Parks and Protected Areas.

<sup>(d)</sup> Costs for Legal Services on Schedule 5, allocated by estimated costs incurred by each program.

<sup>(e)</sup> Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:

- Vacation Pay – allocated to the program by employee,

- Doubtful Accounts Provision – estimated allocation to program.



# Department of Community Development

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Financial Statements

March 31, 2004

**Department of Community Development  
Financial Statements  
March 31, 2004**

Auditor's Report

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Schedule 6 – Salary and Benefits Disclosure

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, 2004 and the statements of operations and cash flow 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.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Department of Community Development**  
**Statement of Operations**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		2003
	Budget (Schedule 4)	Actual	Actual
<b>Revenues (Schedule 1)</b>			
Internal Government Transfers	\$ 76,115	\$ 72,115	\$ 56,266
Transfers from the Government of Canada	15,747	17,244	15,329
Premiums, Fees and Licences	4,515	3,490	3,185
Other Revenue	1,385	2,497	2,126
	<u>97,762</u>	<u>95,346</u>	<u>76,906</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedule 8)</b>			
<b>Voted (Schedules 2, 3 and 5)</b>			
Ministry Support Services	11,613	10,239	8,888
Community Services	93,602	89,456	74,038
Human Rights and Citizenship	4,591	4,685	4,308
Community Support Systems	449,389	447,989	408,448
Cultural Facilities and Historical Resources	28,227	31,359	29,781
Parks and Protected Areas	46,025	40,325	37,474
	<u>633,447</u>	<u>624,053</u>	<u>562,937</u>
<b>Statutory (Schedules 3 and 5)</b>			
Queen's Golden Jubilee Scholarships	10	10	10
Valuation Adjustments			
Provision for Doubtful Accounts	-	16	15
Provision for Vacation Pay	217	362	402
	<u>227</u>	<u>388</u>	<u>427</u>
	<u>633,674</u>	<u>624,441</u>	<u>563,364</u>
(Gain) Loss on Disposal of Tangible Capital Assets	<u>(1,179)</u>	<u>(2)</u>	<u>9,165</u>
<b>Net Operating Results</b>	<u><u>\$ (534,733)</u></u>	<u><u>\$ (529,093)</u></u>	<u><u>\$ (495,623)</u></u>

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

**Department of Community Development**  
**Statement of Financial Position**  
**As at March 31, 2004**  
**(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 1,177	\$ 29
Accounts Receivable (Note 3)	1,295	740
Tangible Capital Assets (Note 4)	176,825	184,608
	\$ 179,297	\$ 185,377
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 20,970	\$ 19,585
Unearned Revenue	196	187
	21,166	19,772
<b>Net Assets</b>		
Net Assets at Beginning of Year	165,605	189,048
Net Operating Results	(529,093)	(495,623)
Net Transfer from General Revenues	521,619	472,180
Net Assets at End of Year	158,131	165,605
	\$ 179,297	\$ 185,377

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

**Department of Community Development**  
**Statement of Cash Flow**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ (529,093)	\$ (495,623)
Non-cash Items included in Net Operating Results:		
Amortization of Tangible Capital Assets	8,976	9,530
Valuation Adjustments	378	417
(Gain) Loss on Disposal of Tangible Capital Assets	(2)	9,165
Grants in Kind	-	3,691
	(519,741)	(472,820)
Decrease (Increase) in Accounts Receivable before valuation adjustments	(571)	290
Increase in Accounts Payable and Accrued Liabilities before valuation adjustments	1,023	1,664
Decrease in Advances	-	507
Increase in Unearned Revenue	9	8
	(519,280)	(470,351)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(1,696)	(1,440)
Disposal of Tangible Capital Assets	625	18
Transfers of Tangible Capital Assets	(120)	(552)
	(1,191)	(1,974)
Financing Transactions		
Net Transfer from General Revenues	521,619	472,180
Increase (Decrease) in Cash	1,148	(145)
Cash, Beginning of Year	29	174
Cash, End of Year	\$ 1,177	\$ 29

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

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**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 enhance and preserve the quality of life for Albertans. This is done by:

- Supporting a high quality of life in Alberta by working in collaboration with individuals, organizations and communities to increase local capacity for self-reliance in the arts and culture, sport and recreation, library and voluntary sectors;
- Increasing 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 that Albertans with disabilities have the opportunity to be fully included in the social, economic and cultural life of the province and that adult Albertans in care are protected from abuse;
- Preserving, protecting, presenting, researching and promoting appreciation for Alberta's historical resources and culture and providing opportunities for heritage tourism; and
- Maintaining Alberta's provincial parks and protected areas to preserve the province's natural heritage and providing opportunities for heritage appreciation, outdoor recreation and heritage tourism.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

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

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(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
- The Historic Resources Fund
- Human Rights, Citizenship and Multiculturalism Education Fund
- The Wild Rose Foundation
- Persons with Developmental Disabilities Provincial Board and Community 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.

**(b) Basis of Financial Reporting**

**Revenues**

All revenues are reported on the accrual method of accounting. Cash received for goods or services which have not been provided by year end is recorded as unearned revenue.

Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value 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.



**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Dedicated Revenue**

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are 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.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- Amortization of tangible capital assets;
- Pension costs which comprise the cost of employer contributions for current service of employees during the year; and
- 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.

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Assets (continued)**

Assets acquired by right are not included. Tangible 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 tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible 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. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

**Liabilities**

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

**Net Assets**

Net assets represents the difference between the carrying 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, accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1,310	\$ (32)	\$ 1,278	\$ 682
Refunds from Suppliers	17	-	17	58
	\$ 1,327	\$ (32)	\$ 1,295	\$ 740

Accounts receivable are unsecured and non-interest bearing.

**Note 4 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
<b>General Capital Assets</b>					
Buildings	20-40 years	\$ 107,511	\$ (60,893)	\$ 46,618	\$ 48,808
Land		37,820	-	37,820	37,794
Computer Hardware and Software	5-8 years	1,433	(701)	732	354
Equipment	3-10 years	15,766	(13,867)	1,899	2,061
Other	20 years	16,953	(14,529)	2,424	3,192
<b>Infrastructure Assets</b>					
Land Improvements	40 years	138,259	(70,364)	67,895	71,650
Highways and Roads	40 years	47,428	(30,166)	17,262	18,522
Bridges	60 years	2,894	(719)	2,175	2,227
		\$ 368,064	\$ (191,239)	\$ 176,825	\$ 184,608

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 5 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 \$360 million. A description of the major collections is as follows:

- (a) The Province, through the Historic Sites and Cultural Facilities Branch, preserves and presents 9 historic sites that contain 48 restored historic buildings/structures and 3 stabilized ruins. The Branch also operates 3 interpretive centers, 2 museums and 2 cultural facilities. As well, it administers an additional 3 historic sites which contain 58 undeveloped historic buildings/structures. In addition, the Branch owns 1 developed historic resource (leased to a society), 13 cairns, 4 archaeological sites and 1 palaeontological site. In total, the Department owns 1,904 hectares of land deemed to be of historic significance.
- (b) The Provincial Museum of Alberta maintains 13 Curatorial programs, with total collection holdings comprising approximately 10 million objects. This includes more than 1,220,000 objects on-site; over 12,000 warehoused objects off site and another estimated 8,660,000 archaeological artifacts collected as part of the Archaeological Survey of Alberta permit process. The collections represent a highly diverse complement of cultural and natural heritage. These include mammals, birds, fish, insects, plants, minerals, gems, First Nations ethnographical material, military and cultural history artifacts, coins, as well as industrial, domestic, and textile collections; and the permitted archaeological materials recovered in Alberta, all with associated images, audio and books.
- (c) The Royal Tyrrell Museum of Palaeontology collection has over 109,000 catalogued items including original and replica fossils. Annually, approximately 2,000 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 3,100 major and 3,400 smaller artifacts. Included in these numbers are 80 vintage aircraft, 8 of which are on permanent loan to the museum. The museum also houses a collection of documents, numbering over 50,000 pieces, related to the museum's mechanization themes.
- (e) The Remington Carriage Museum houses one of the largest collections of horse drawn vehicles in North America, with 265 carriages, buggies, wagons and sleighs, and approximately 690 associated small artifacts.
- (f) The Ukrainian Cultural Heritage Village is responsible for the management of Historic Sites and Cultural Facilities' collection of approximately 47,500 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**  
**Year ended March 31, 2004**

**Note 5 Collections (continued)**

- (g) The Provincial Archives of Alberta holds approximately 36,500 linear metres of government textual records; 4,590 linear metres of private textual records; 61,800 maps; 27,600 architectural drawings; 2,090,000 photographic images; 46,800 hours of sound recordings; 66,000 hours of film and video materials; and 12,300 volumes of library holdings.
- (h) The Collection Management Unit of the Arts Branch, manages 14 collections containing approximately 1,500 donated, purchased and/or commissioned artworks.
- (i) The Glenbow-Alberta Institute, under contract to the Cultural Facilities and Historical Resources Division, manages the care of, and access to, a publicly owned collection of approximately 226,000 artifacts in cultural history, military history, ethnology, art and mineralogy; approximately 5 shelf kilometres of textual and archival records; over 2,100,000 historical photographs; about 350 hours of film footage; and 7,200 sound recordings. The collection is continually enhanced each year.

**Note 6 Commitments (thousands of dollars)**

As at March 31, 2004, the Department has the following commitments:

	2004	2003
Grant Agreements	\$ 4,244	\$ 4,728
Long-term Leases <sup>(a)</sup>	1,285	970
	\$ 5,529	\$ 5,698

<sup>(a)</sup> The Department leases vehicles under operating leases that expire on various dates to 2008. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	2004
2004-2005	\$ 643
2005-2006	375
2006-2007	204
2007-2008	63
	\$ 1,285

**Department of Community Development  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 7 Contingencies (thousands of dollars)**

The Department of Community Development has a contingent liability in respect of fifteen claims (2003 – fourteen claims) aggregating \$1.7 million (2003 – \$2.7 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, 2004, the Department is a defendant in ten other legal claims (2003 – nine legal claims). Nine of these claims have specified amounts totalling \$1,501 and the remaining one has no specified amount (2003 – eight claims with a specified amount of \$1,406 and one with no specified amount). Included in the total legal claims are three claims amounting to \$250 (2003 – one claim with no specified amount) in which the Department has been jointly named with other entities. Seven claims amounting to \$1,221 (2003 – four claims amounting to \$926) are covered by the Alberta Risk Management Fund.

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

Certain contingent liabilities may exist for site remediation and reclamation, which may be the responsibility of the Department. The potential costs relate to restoring buildings and other sites to acceptable contractual standards. The preliminary estimate of the amount of such potential contingent liabilities is \$2,456. Costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

**Note 8 Trust Funds Under Administration (thousands of dollars)**

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, 2004, trust funds under administration were as follows:

	2004	2003
Parks General Trust and Performance Deposits	\$ 329	\$ 308
Gakken Dinosaur Exhibit Trust Fund	159	154
Fort Dunvegan Historical Society Trust Fund	6	6
	\$ 494	\$ 468

In addition to the above trust funds under administration, the Department holds bank guarantees in the form of letters of credit in the amount of \$1,499 (2003 restated – \$1,602).

**Department of Community Development**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 9 Defined Benefit Plans (thousands of dollars)**

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 \$2,989 for the year ended March 31, 2004 (2003 – \$2,317).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of \$290,014 (2002 – \$301,968) and the Public Service Pension Plan reported an actuarial deficiency of \$596,213 (2002 – \$175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of \$9,312 (2002– \$6,472).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of \$9,766 (2003 – \$14,434) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$1,298 (2003 – actuarial deficiency of \$3,053). The expense for these two plans is limited to employer's annual contributions for the year.

**Note 10 Approval of Financial Statements**

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

**Department of Community Development**  
**Revenues**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
<b>Internal Government Transfers</b>			
Transfer from the Lottery Fund	\$ 76,105	\$ 72,105	\$ 56,256
Transfer from Alberta Heritage Scholarship Fund	10	10	10
	<u>76,115</u>	<u>72,115</u>	<u>56,266</u>
<b>Transfer from the Government of Canada</b>			
Canada Health and Social Transfer	14,642	16,054	14,896
Other	1,105	1,190	433
	<u>15,747</u>	<u>17,244</u>	<u>15,329</u>
<b>Premiums, Fees and Licences</b>			
Land and Grazing	415	515	472
Film Classification	500	506	493
Other	3,600	2,469	2,220
	<u>4,515</u>	<u>3,490</u>	<u>3,185</u>
<b>Other Revenue</b>			
Contribution in Kind	1,000	1,362	1,080
Refunds of Expenses	50	140	238
Other	335	995	808
	<u>1,385</u>	<u>2,497</u>	<u>2,126</u>
	<u><u>\$ 97,762</u></u>	<u><u>\$ 95,346</u></u>	<u><u>\$ 76,906</u></u>



**Department of Community Development**  
**Dedicated Revenue Initiatives**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues <sup>(a)</sup>	(Shortfall) / Excess <sup>(f)</sup>
Park Operations <sup>(b)</sup>	\$ 4,350	\$ 3,913	\$ (437)
Cultural Facilities and Historical Resources <sup>(c)</sup>	1,000	1,362	362
Heritage Resources Management <sup>(d)</sup>	755	735	(20)
Francophone Secretariat <sup>(e)</sup>	350	365	15
	<u>\$ 6,455</u>	<u>\$ 6,375</u>	<u>\$ (80)</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the Statement of Operations.
- (b) The Parks and Protected Areas division collects various fees and other revenues that are used to partially offset the cost of providing services. These include fees for the use of campgrounds, park facilities and lands, heritage appreciation services (e.g. interpretive bus tours), as well as contributions, sponsorships, donations, grants and payments by corporations, private sector operators, foundations, individuals and others.
- (c) Cultural facilities and historical resources dedicated revenue is related to donations of artifacts and other items to various historic sites and cultural facilities.
- (d) The Government of Canada has provided funding to provinces and territories to further the goals of the Historic Places Initiative. The funds are intended to promote development of the Canadian Register of Historic Places, use of nation-wide standards and guidelines and, in particular, greater municipal involvement in the identification and protection of historic places.
- (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 Schedules 4 and 5 to the financial statements.

**Department of Community Development**  
**Expenses – Directly Incurred Detailed By Object**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
<b>Voted</b>			
Salaries, Wages and Employee Benefits	\$ 53,835	\$ 52,602	\$ 48,642
Supplies and Services	31,731	32,302	25,978
Supplies and Services from Support Services			
Arrangements with Related Parties <sup>(a)</sup>	-	-	829
Grants	542,636	533,994	481,306
Financial Transactions and Other	96	142	131
Amortization of Tangible Capital Assets	9,370	8,976	9,530
<b>Total Voted Expenses before Recoveries</b>	<b>637,668</b>	<b>628,016</b>	<b>566,416</b>
<b>Less: Recovery from Support Service</b>			
Arrangements with Related Parties <sup>(b)</sup>	(4,221)	(3,963)	(3,479)
	<u>\$ 633,447</u>	<u>\$ 624,053</u>	<u>\$ 562,937</u>
<b>Statutory</b>			
Grants	\$ 10	\$ 10	\$ 10
Valuation Adjustments			
Provision for Doubtful Accounts	-	16	15
Provision for Vacation Pay	217	362	402
	<u>\$ 227</u>	<u>\$ 388</u>	<u>\$ 427</u>

<sup>(a)</sup> The Department received information technology services from the Department of Seniors in the prior year.

<sup>(b)</sup> The Department provided financial and administrative services to the funds and agencies of the Ministry of Community Development. Costs incurred by the Department for these services were recovered from the funds and agencies of the Ministry of Community Development.

**Department of Community Development  
Budget  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004				
	Estimates	Adjustment <sup>(a)</sup>	Budget	Authorized Supplementary <sup>(b)</sup>	Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	\$ 76,115	\$ -	\$ 76,115	\$ -	\$ 76,115
Transfers from the Government of Canada	15,747	-	15,747	-	15,747
Premiums, Fees and Licences	4,515	-	4,515	-	4,515
Other Revenue	1,385	-	1,385	-	1,385
	<u>97,762</u>	<u>-</u>	<u>97,762</u>	<u>-</u>	<u>97,762</u>
<b>Expenses – Directly Incurred</b>					
<b>Voted Expenses</b>					
Ministry Support Services	11,613	-	11,613	-	11,613
Community Services	93,602	-	93,602	(2,342)	91,260
Human Rights and Citizenship	4,591	-	4,591	-	4,591
Community Support Systems	449,389	-	449,389	-	449,389
Cultural Facilities and Historical Resources	28,227	-	28,227	900	29,127
Parks and Protected Areas	46,025	-	46,025	2,442	48,467
Dedicated Revenue Shortfall	-	(80)	(80)	-	(80)
	<u>633,447</u>	<u>(80)</u>	<u>633,367</u>	<u>1,000</u>	<u>634,367</u>
<b>Statutory Expenses</b>					
Queen's Golden Jubilee Scholarships	10	-	10	-	10
Valuation adjustments					
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	217	-	217	-	217
	<u>227</u>	<u>-</u>	<u>227</u>	<u>-</u>	<u>227</u>
	<u>633,674</u>	<u>(80)</u>	<u>633,594</u>	<u>1,000</u>	<u>634,594</u>
<b>Gain on Disposal of Tangible Capital Assets</b>					
	<u>(1,179)</u>	<u>-</u>	<u>(1,179)</u>	<u>-</u>	<u>(1,179)</u>
<b>Net Operating Results</b>	<u>\$ (534,733)</u>	<u>\$ 80</u>	<u>\$ (534,653)</u>	<u>\$ (1,000)</u>	<u>\$ (535,653)</u>
<b>Equipment/Inventory Purchases</b>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>
<b>Capital Investment</b>	<u>\$ 1,262</u>	<u>\$ -</u>	<u>\$ 1,262</u>	<u>\$ -</u>	<u>\$ 1,262</u>

<sup>(a)</sup> Adjustments include dedicated revenue shortfalls.

<sup>(b)</sup> Supplementary estimates of \$1,000 were approved on December 4, 2003.

**Department of Community Development**  
**Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and**  
**Statutory Expenses by Element to Authorized Budget**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2003-2004 Estimates	Adjustments <sup>(a)</sup>	2003-2004 Budget	2003-2004 Authorized Supplementary <sup>(b)</sup>	2003-2004 Authorized Budget	2003-2004 Actual <sup>(c)</sup>	Unexpended (Over Expended)
Voted Operating Expense and Equipment/Inventory Purchases and Capital Investment							
1 Ministry Support Services							
1.0.1 Minister's Office	\$ 397	\$ -	\$ 397	\$ -	\$ 397	\$ 383	\$ 14
1.0.2 Deputy Minister's Office	277	-	277	-	277	255	22
1.0.3 Strategic Corporate Services							
- Operating Expense	4,958	-	4,958	-	4,958	4,189	769
- Equipment/Inventory Purchases	50	-	50	-	50	133	(83)
1.0.4 Corporate Costs	5,586	-	5,586	-	5,586	5,029	557
1.0.5 Communications	395	-	395	-	395	383	12
	11,663	-	11,663	-	11,663	10,372	1,291
2 Community Services							
2.1 Management and Operations							
2.1.1 Program Support	833	-	833	-	833	751	82
2.1.2 Arts Development	1,464	-	1,464	-	1,464	1,488	(24)
- Operating Expense funded by Lotteries							
2.1.3 Volunteer Services	3,502	-	3,502	-	3,502	3,381	121
- Operating Expense funded by Lotteries							
2.1.4 Sport and Recreation	1,158	-	1,158	-	1,158	1,158	-
- Operating Expense funded by Lotteries							
2.1.5 Library Services							
- Operating Expense	480	-	480	-	480	559	(79)
- Equipment/Inventory Purchases	-	-	-	-	-	7	(7)
2.1.6 Francophone Secretariat	661	-	661	-	661	623	38
	8,098	-	8,098	-	8,098	7,967	131
2.2 Financial Assistance							
2.2.1 Community Services Grants							
- Operating Expense	50	-	50	-	50	235	(185)
- Operating Expense funded by Lotteries	1,400	-	1,400	-	1,400	-	1,400
2.2.2 Library Operating Grants	17,934	-	17,934	1,658	19,592	19,500	92

**Department of Community Development**  
**Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and**  
**Statutory Expenses by Element to Authorized Budget**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2003-2004 Estimates	Adjustments <sup>(a)</sup>	2003-2004 Budget	2003-2004 Authorized Supplementary <sup>(b)</sup>	2003-2004 Authorized Budget	2003-2004 Actual <sup>(c)</sup>	Unexpended (Over Expended)
2.2.3 Hosting Major Athletic Events							
- Operating Expense funded by Lotteries	1,900	-	1,900	-	1,900	1,900	-
2.2.4 Alberta NHL Teams Initiative	5,750	-	5,750	-	5,750	5,391	359
2.2.5 Assistance to the Alberta Foundation for the Arts							
- Operating Expense funded by Lotteries	29,034	-	29,034	-	29,034	29,034	-
2.2.6 Assistance to the Alberta Sport, Recreation, Parks, and Wildlife Foundation							
- Operating Expense funded by Lotteries	17,670	-	17,670	-	17,670	17,670	-
2.2.7 Assistance to the Wild Rose Foundation							
- Operating Expense funded by Lotteries	7,766	-	7,766	-	7,766	7,766	-
2.2.8 Assistance to the First Nations Development Fund							
- Operating Expense funded by Lotteries	4,000	-	4,000	(4,000)	-	-	-
	85,504	-	85,504	(2,342)	83,162	81,496	1,666
	93,602	-	93,602	(2,342)	91,260	89,463	1,797
3 Human Rights and Citizenship							
3.0.1 Human Rights and Citizenship	3,326	-	3,326	-	3,326	3,420	(94)
3.0.2 Assistance to the Human Rights, Citizenship and Multiculturalism Education Fund							
- Operating Expense funded by Lotteries	1,265	-	1,265	-	1,265	1,265	-
	4,591	-	4,591	-	4,591	4,685	(94)
4 Community Support Systems							
4.0.1 Program Support	252	-	252	-	252	264	(12)
4.0.2 Community Support Systems	1,807	-	1,807	-	1,807	1,460	347
4.0.3 Premier's Council on the Status of Persons with Disabilities	753	-	753	-	753	448	305
4.0.4 Protection for Persons in Care	1,074	-	1,074	-	1,074	1,232	(158)
4.0.5 Brain Injury Initiative	4,466	-	4,466	-	4,466	3,889	577
4.0.6 Assistance to Persons with Developmental Disabilities Provincial Board	441,037	-	441,037	-	441,037	440,696	341
	449,389	-	449,389	-	449,389	447,989	1,400

**Department of Community Development**  
**Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and**  
**Statutory Expenses by Element to Authorized Budget**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2003-2004 Estimates	Adjustments <sup>(a)</sup>	2003-2004 Budget	2003-2004 Authorized Supplementary <sup>(b)</sup>	2003-2004 Authorized Budget	2003-2004 Actual <sup>(c)</sup>	Unexpended (Over Expended)
5 Cultural Facilities and Historical Resources							
5.1 Management and Operations							
5.1.1 Program Support	989	-	989	-	989	842	147
5.1.2 Provincial Museum	4,216	-	4,216	-	4,216	4,168	48
5.1.3 Royal Tyrrell Museum of Paleontology							
- Operating Expense	1,892	-	1,892	-	1,892	1,955	(63)
- Equipment/Inventory Purchases	-	-	-	-	-	71	(71)
5.1.4 Historic Sites and Cultural Facilities							
- Operating Expense	8,575	-	8,575	-	8,575	9,553	(978)
- Equipment/Inventory Purchases	-	-	-	-	-	25	(25)
5.1.5 Provincial Archives of Alberta							
- Operating Expense	1,776	-	1,776	-	1,776	1,480	296
- Equipment/Inventory Purchases	-	-	-	-	-	38	(38)
5.1.6 Heritage Resource Management							
- Operating Expense	3,501	-	3,501	-	3,501	3,313	188
- Equipment/Inventory Purchases	-	-	-	-	-	120	(120)
5.1.7 Centennial Operations							
- Operating Expense	332	-	332	-	332	557	(225)
	21,281	-	21,281	-	21,281	22,122	(841)
5.2 Financial Assistance							
5.2.1 Cultural Facilities and Historical Resources							
Grants							
- Operating Expense	-	-	-	900	900	1,405	(505)
- Operating Expense funded by Lotteries	-	-	-	-	-	1,140	(1,140)
5.2.2 Assistance to the Alberta Historical Resources Foundation							
- Operating Expense funded by Lotteries	6,946	-	6,946	-	6,946	6,946	-
	6,946	-	6,946	900	7,846	9,491	(1,645)
	28,227	-	28,227	900	29,127	31,613	(2,486)

**Department of Community Development**  
**Comparison of Expenses – Directly Incurred, Equipment/Inventory Purchases and Capital Investment and**  
**Statutory Expenses by Element to Authorized Budget**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2003-2004 Estimates	Adjustments <sup>(a)</sup>	2003-2004 Budget	2003-2004 Authorized Supplementary <sup>(b)</sup>	2003-2004 Authorized Budget	2003-2004 Actual <sup>(c)</sup>	Unexpended (Over Expended)
6 Parks and Protected Areas							
6.0.1 Program Support	215	-	215	-	215	243	(28)
6.0.2 Parks Policy and Planning	3,438	-	3,438	-	3,438	3,410	28
6.0.3 Parks Operations							
- Operating Expense	25,711	-	25,711	2,442	28,153	27,885	268
- Equipment/Inventory Purchases	-	-	-	-	-	50	(50)
- Capital Investment	1,262	-	1,262	-	1,262	1,252	10
6.0.4 Nominal Sum Disposals	7,534	-	7,534	-	7,534	-	7,534
6.0.5 Amortization of Tangible Capital Assets	9,127	-	9,127	-	9,127	8,787	340
	47,287	-	47,287	2,442	49,729	41,627	8,102
Dedicated Revenue Shortfall (Schedule 2)	-	(80)	(80)	-	(80)	-	(80)
Total Voted Expenses	\$ 634,759	\$ (80)	\$ 634,679	\$ 1,000	\$ 635,679	\$ 625,749	\$ 9,930
Operating Expense	\$ 557,342	\$ (80)	\$ 557,262	\$ 5,000	\$ 562,262	\$ 552,305	\$ 9,957
Operating Expense funded by Lotteries	76,105	-	76,105	(4,000)	72,105	71,748	357
Equipment/Inventory Purchases	50	-	50	-	50	444	(394)
	\$ 633,497	\$ (80)	\$ 633,417	\$ 1,000	\$ 634,417	\$ 624,497	\$ 9,920
Capital Investment	1,262	-	1,262	-	1,262	1,252	10
Total Voted Expenses	\$ 634,759	\$ (80)	\$ 634,679	\$ 1,000	\$ 635,679	\$ 625,749	\$ 9,930
Statutory Expenses	\$ 10	\$ -	\$ 10	\$ -	\$ 10	\$ 10	\$ -
Queen's Golden Jubilee Scholarships	217	-	217	-	217	378	(161)
Valuation Adjustments	227	-	227	-	227	388	(161)

(a) Adjustments include dedicated revenue shortfalls.  
(b) Supplementary estimates were approved on December 4, 2003.  
(c) Includes achievement bonus amounting to \$679.

**Department of Community Development  
Salary and Benefits Disclosure  
Year ended March 31, 2004**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
<b>Senior Officials</b>					
Deputy Minister <sup>(d)</sup> Chief Commissioner, Alberta Human Rights and Citizenship Commission	\$ 152,808	\$ 29,836	\$ 36,155	\$ 218,799	\$ 225,554
	112,296	16,446	25,743	154,485	147,137
<b>Executives</b>					
Assistant Deputy Minister, Community and Citizenship Services <sup>(e)</sup>	123,132	18,032	27,612	168,776	179,520
Assistant Deputy Minister, Cultural Facilities and Historical Resources	114,108	16,710	25,919	156,737	144,866
Assistant Deputy Minister, Parks and Protected Areas	118,716	17,384	32,137	168,237	162,665
Assistant Deputy Minister, Community Support Systems	133,728	19,584	31,054	184,366	186,774
Assistant Deputy Minister, Strategic Corporate Services	128,352	18,796	28,584	175,732	177,216

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits relating to a position are disclosed.

- (a) Base salary includes pensionable base pay.
- (b) Other cash benefits include bonuses, vacation payments, overtime and lump sum payments.
- (c) Other non-cash benefits 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.
- (d) Automobile provided, no dollar amount included in other non-cash benefits.
- (e) Other cash benefits include vacation payments for the Assistant Deputy Minister, Community and Citizenship Services \$Nil (2003 - \$9,116).



**Department of Community Development**  
**Related Party Transactions**  
**Year ended March 31, 2004**  
**(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, 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 Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Grants	\$ -	\$ -	\$ 72,115	\$ 56,266
Expenses – Directly Incurred				
Grants	\$ 503,377	\$ 454,191	\$ -	\$ -
Other services	-	-	4,833	4,493
	<u>\$ 503,377</u>	<u>\$ 454,191</u>	<u>\$ 4,833</u>	<u>\$ 4,493</u>
Tangible Capital Assets Transferred from (to)				
Others	\$ -	\$ -	\$ 120	\$ 552
Accounts Payable	\$ -	\$ 355	\$ -	\$ -
Accounts Receivable	\$ 339	\$ 118	\$ -	\$ 7

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	
	2004	2003	2004	2003
Recoveries				
Services Provided	\$ 1,578	\$ 1,421	\$ -	\$ -
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 20,242	\$ 20,089
Legal Services	-	-	271	298
Parks Maintenance	-	-	1,587	1,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,100</u>	<u>\$ 21,887</u>

**Department of Community Development  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	Expenses – Incurred by Others						Valuation Adjustments <sup>(f)</sup>			Total Expenses
	Expenses <sup>(a)</sup>	Services Provided <sup>(b)</sup>	Accommodation Costs <sup>(c)</sup>	Legal Services <sup>(d)</sup>	Parks Maintenance <sup>(e)</sup>	Provision for Vacation Pay	Provision for Doubtful Accounts	Total Expenses		
Ministry Support Services	\$ 10,239	\$ -	\$ 301	\$ 45	\$ -	\$ 22	\$ -	\$ 10,607	\$ 9,361	
Community Services	89,456	(834)	842	62	-	58	-	89,584	74,253	
Human Rights and Citizenship	4,685	(152)	112	-	-	18	-	4,663	4,384	
Community Support Systems	447,989	-	214	4	-	10	-	448,217	408,658	
Cultural Facilities and Historical Resources	31,359	(592)	17,401	73	-	107	-	48,348	46,338	
Parks and Protected Areas	40,325	-	1,372	87	1,587	147	16	43,534	40,826	
Queen's Golden Jubilee Scholarships	10	-	-	-	-	-	-	10	10	
	<u>\$ 624,063</u>	<u>\$ (1,578)</u>	<u>\$ 20,242</u>	<u>\$ 271</u>	<u>\$ 1,587</u>	<u>\$ 362</u>	<u>\$ 16</u>	<u>\$ 644,963</u>	<u>\$ 583,830</u>	

(a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.  
 (b) Financial and administrative services are provided to the funds and agencies of the Ministry of Community Development.  
 (c) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square footage.  
 (d) Costs shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.  
 (e) The Department of Transportation provides road and bridge maintenance to Parks and Protected Areas.  
 (f) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:  
 - Vacation Pay – allocated to the program by employee,  
 - Doubtful Accounts Provision – estimated allocation to program.

# **Alberta Foundation for the Arts**

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Financial Statements

March 31, 2004

**Alberta Foundation for the Arts  
Financial Statements  
March 31, 2004**

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Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

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Schedule 4 – Allocated 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, 2004 and the statements of operations and cash flow 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, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Alberta Foundation for the Arts**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from the Department of Community Development			
- Operating	\$ 19,034,000	\$ 19,034,000	\$ 16,354,000
- Film Development Program	10,000,000	10,000,000	5,000,000
Investment Income	325,000	208,274	210,623
Other Revenue			
Miscellaneous	60,000	55,029	50,591
Donations of Artworks	100,000	118,422	112,975
	<u>29,519,000</u>	<u>29,415,725</u>	<u>21,728,189</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 4)</b>			
Arts Promotion	12,616,000	12,517,507	11,191,368
Arts Support	2,886,000	2,827,964	2,299,607
Artist Development	1,950,000	2,134,091	1,440,500
Arts Participation	1,484,000	1,387,339	1,298,756
Administration	342,000	306,795	328,878
Collection, Preservation and Display of Provincial Artworks	250,000	225,883	121,259
	<u>19,528,000</u>	<u>19,399,579</u>	<u>16,680,368</u>
Film Development	<u>10,000,000</u>	<u>10,959,099</u>	<u>3,677,345</u>
	<u>29,528,000</u>	<u>30,358,678</u>	<u>20,357,713</u>
Net Operating Results	<u>\$ (9,000)</u>	(942,953)	1,370,476
Fund Balance, Beginning of Year		<u>2,049,024</u>	<u>678,548</u>
Fund Balance, End of Year		<u>\$ 1,106,071</u>	<u>\$ 2,049,024</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, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 2,936,572	\$ 2,868,996
Accrued Interest	15,207	15,207
Accounts Receivable (Note 4)	2,920	250,541
	2,954,699	3,134,744
Long Term Investments (Note 5)	466,746	466,746
Tangible Capital Assets (Note 6)	54,902	38,546
	\$ 3,476,347	\$ 3,640,036
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 1,903,530	\$ 1,124,266
<b>Equity</b>		
Fund Balance	1,106,071	2,049,024
General Reserve (Note 8)	466,746	466,746
	1,572,817	2,515,770
	\$ 3,476,347	\$ 3,640,036

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

**Alberta Foundation for the Arts**  
**Statement of Cash Flow**  
**Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ (942,953)	\$ 1,370,476
Non-cash Items		
Amortization of Tangible Capital Assets	9,342	8,569
	(933,611)	1,379,045
Decrease (Increase) in Accounts Receivable	247,621	(229,638)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	779,264	(2,143,579)
	93,274	(994,172)
Capital Transactions		
Acquisition of Tangible Capital Assets	(25,698)	-
Cash Applied to Capital Transactions	(25,698)	-
Increase (Decrease) in Cash	67,576	(994,172)
Cash, Beginning of Year	2,868,996	3,863,168
Cash, End of Year	\$ 2,936,572	\$ 2,868,996

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



**Alberta Foundation for the Arts  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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**

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

**(a) Reporting Entity**

The reporting entity is the Alberta Foundation for the Arts, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) 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.

**Alberta Foundation for the Arts**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Revenues (continued)**

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 at the date of donation, when fair value 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 tangible capital assets.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

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. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

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  
Year ended March 31, 2004**

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

**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 accrued interest, accounts receivable, accounts payable and accrued liabilities are estimated to approximate their carrying values.

**Alberta Foundation for the Arts  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 three 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.

	2004	2003
Cash	\$ 3,103,318	\$ 3,035,742
Less Cash Appropriated for Non-Current Use	(166,746)	(166,746)
	\$ 2,936,572	\$ 2,868,996

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

**Note 4 Accounts Receivable**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 2,920	\$ -	\$ 2,920	\$ 250,541

Accounts receivable are unsecured and non-interest bearing.

**Alberta Foundation for the Arts  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 5 Long Term Investments**

	2004			2003	
	Effective Annual Interest Rate	Cost	Market	Cost	Market
Deposits with Life Insurance Companies, Maturing in 2008 <sup>(a)</sup>	5.125%	\$ 300,000	<u>\$ 300,000</u>	\$ 300,000	<u>\$ 300,000</u>
Cash Appropriated for Non-current Use		<u>166,746</u>		<u>166,746</u>	
		<u>\$ 466,746</u>		<u>\$ 466,746</u>	

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

**Note 6 Tangible Capital Assets**

	Estimated Useful Life	2004			2003
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment and Software	4 years	\$ 33,103	\$ (28,103)	\$ 5,000	\$ 10,000
Equipment	10 years	61,381	(11,479)	49,902	28,546
Office Furnishings	7 years	5,533	(5,533)	-	-
		<u>\$ 100,017</u>	<u>\$ (45,115)</u>	<u>\$ 54,902</u>	<u>\$ 38,546</u>

**Alberta Foundation for the Arts  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 7,148 (2003 – 6,939) artworks with an approximate value of \$7,844,000 (2003 – \$7,439,000). During the year, the Foundation purchased 108 (2003 – 110) artworks by Alberta artists at a total cost of \$289,555 (2003 – \$249,955); contributions to the collection included 114 (2003 – 47) artworks with an appraised value of \$117,188 (2003 – \$112,975). There were 13 artwork disposals during the year \$2,237 (2003 – \$1,307).

**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, 2004, the Foundation has the following commitments relating to program contracts and grants approved but not expended, pending fulfillment of eligibility conditions.

	2004	2003
2003-2004	\$ -	\$ 16,956,908
2004-2005	17,366,338	2,353,246
2005-2006	282,000	-
2006-2007	282,000	-
	\$ 17,930,338	\$ 19,310,154

**Alberta Foundation for the Arts  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 10 Honoraria**

	2004		2003	
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Board <sup>(c)</sup>				
Chair	\$ 6,103	\$ -	\$ 6,103	\$ 8,933
Other Members	39,196	-	39,196	33,100
	<u>\$ 45,299</u>	<u>\$ -</u>	<u>\$ 45,299</u>	<u>\$ 42,033</u>

- (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 Approval of Financial Statements**

The financial statements were approved by the Board of Directors.

**Alberta Foundation for the Arts**  
**Expenses – Directly Incurred Detailed by Object**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 27,643,000	\$ 28,306,680	\$ 18,747,717
Supplies and Services	734,000	968,064	639,465
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	622,000	622,000	557,000
Acquisition of Artworks	350,000	289,555	249,955
Donations of Artworks	100,000	117,188	112,975
Honoraria (Note 10)	70,000	45,299	42,033
Amortization of Tangible Capital Assets	9,000	9,342	8,568
Other	-	550	-
	<u>\$ 29,528,000</u>	<u>\$ 30,358,678</u>	<u>\$ 20,357,713</u>

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



**Alberta Foundation for the Arts  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval <sup>(a)</sup>	2003-2004 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfers from the Department of Community			
Development	\$ 29,034,000	\$ -	\$ 29,034,000
Investment Income	325,000	-	325,000
Other Revenue			
Miscellaneous	60,000	-	60,000
Donations of Artworks	100,000	-	100,000
	<u>29,519,000</u>	<u>-</u>	<u>29,519,000</u>
<b>Expenses – Directly Incurred</b>			
Arts Promotion	12,616,000	-	12,616,000
Arts Support	2,886,000	-	2,886,000
Artist Development	1,950,000	-	1,950,000
Arts Participation	1,484,000	-	1,484,000
Administration	342,000	-	342,000
Collection, Preservation and Display of Provincial Artworks	250,000	-	250,000
	<u>19,528,000</u>	<u>-</u>	<u>19,528,000</u>
Film Development	<u>10,000,000</u>	<u>1,000,000</u>	<u>11,000,000</u>
	<u>29,528,000</u>	<u>1,000,000</u>	<u>30,528,000</u>
Net Operating Results	<u>\$ (9,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ (1,009,000)</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<sup>(a)</sup> On November 14, 2003 the Foundation received Treasury Board approval, to access it's fund balance, on a one-time basis, for the Alberta Film Development Program.

**Alberta Foundation for the Arts**  
**Related Party Transactions**  
**Year ended March 31, 2004**

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, 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 Foundation had the following transactions with related parties recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Transfers from the Department of Community Development				
-Operating	\$ 19,034,000	\$ 16,354,000	\$ -	\$ -
-Film Development	10,000,000	5,000,000	-	-
	<u>\$ 29,034,000</u>	<u>\$ 21,354,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Grants	\$ 106,145	\$ 125,000	\$ -	\$ -
Other Services	-	-	52,029	42,521
	<u>\$ 106,145</u>	<u>\$ 125,000</u>	<u>\$ 52,029</u>	<u>\$ 42,521</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 127,522</u>	<u>\$ 13,066</u>	<u>\$ 6,150</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	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 172,234	\$ 185,794
Legal Services	-	-	7,017	83
Other Services	525,611	512,860	-	-
	<u>\$ 525,611</u>	<u>\$ 512,860</u>	<u>\$ 179,251</u>	<u>\$ 185,877</u>

**Alberta Foundation for the Arts  
Allocated Costs  
Year ended March 31, 2004**

Program	Expenses – Incurred by Others					2004		2003	
	Expenses (a)	Accommodation Costs (b)	Legal Services (c)	Other Services (d)	Total Expenses	Total Expenses	Total Expenses	Total Expenses	
Arts Promotion	\$ 12,517,507	\$ 7,385	\$ -	\$ 167,167	\$ 12,692,059	\$ 11,365,160			
Arts Support	2,827,964	3,914	-	81,721	2,913,599	2,384,517			
Artist Development	2,134,091	5,431	-	125,607	2,265,129	1,568,170			
Arts Participation	1,387,339	4,954	-	107,564	1,499,857	1,410,487			
Administration	306,795	947	-	15,687	323,429	345,328			
Collection, Preservation and Display of Provincial Artworks	225,883	148,730	-	14,287	388,900	291,219			
Film Development	10,959,099	873	7,017	13,578	10,980,567	3,691,569			
	<u>\$ 30,358,678</u>	<u>\$ 172,234</u>	<u>\$ 7,017</u>	<u>\$ 525,611</u>	<u>\$ 31,063,539</u>	<u>\$ 21,056,450</u>			

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

(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

(c) Costs shown for Legal Services on Schedule 3, allocated by estimated costs incurred by each program.

(d) Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.



# **The Alberta Historical Resources Foundation**

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Financial Statements

March 31, 2004

**The Alberta Historical Resources Foundation  
Financial Statements  
March 31, 2004**

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## 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, 2004 and the statements of operations and cash flow 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, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**The Alberta Historical Resources Foundation**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004			2003	
	Budget (Schedule 2)	Actual		Actual	
		Operating Fund	Restricted Fund	Total	Total
<b>Revenues</b>					
Internal Government Transfers					
Transfer from Department of Community Development	\$ 6,946,000	\$ 6,946,000	\$ -	\$ 6,946,000	\$ 5,913,000
Investment Income	210,000	145,175	626	145,801	137,210
Other Revenue	6,000	9,090	-	9,090	7,769
	<u>7,162,000</u>	<u>7,100,265</u>	<u>626</u>	<u>7,100,891</u>	<u>6,057,979</u>
<b>Expenses – Directly Incurred</b>					
Support to Provincial Heritage Organizations					
Alberta Museums Association	1,400,000	1,400,000	-	1,400,000	1,200,000
Archives Society of Alberta	160,000	160,000	-	160,000	100,000
Other	136,000	136,450	-	136,450	78,450
	<u>1,696,000</u>	<u>1,696,450</u>	<u>-</u>	<u>1,696,450</u>	<u>1,378,450</u>
Glenbow Museum	2,688,000	2,688,000	-	2,688,000	2,563,000
Heritage Preservation Projects	1,456,000	965,054	-	965,054	940,085
Main Street Program	725,000	1,161,503	-	1,161,503	726,794
Heritage Awareness Projects	448,000	322,506	-	322,506	308,396
Roger Soderstrom Fellowship Projects	5,000	-	4,311	4,311	-
Administration	144,000	202,450	-	202,450	131,999
	<u>7,162,000</u>	<u>7,035,963</u>	<u>4,311</u>	<u>7,040,274</u>	<u>6,048,724</u>
Net Operating Results	<u>\$ -</u>	64,302	(3,685)	60,617	9,255
Fund Balances at Beginning of Year		<u>3,101,699</u>	<u>24,490</u>	<u>3,126,189</u>	<u>3,116,934</u>
Fund Balances at End of Year		<u>\$ 3,166,001</u>	<u>\$ 20,805</u>	<u>\$ 3,186,806</u>	<u>\$ 3,126,189</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, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 3,691,874	\$ 3,238,059
Inventory	5,293	5,368
Accounts Receivable	309	276
	3,697,476	3,243,703
Cash Appropriated for Non-current Uses (Notes 3 and 7)	50,000	50,000
	\$ 3,747,476	\$ 3,293,703
	\$ 3,747,476	\$ 3,293,703
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 510,670	\$ 117,514
<b>Fund Balances</b>		
Unrestricted Operating Fund	3,166,001	3,101,699
Restricted Funds (Note 6)	20,805	24,490
	3,186,806	3,126,189
Reserve (Note 7)	50,000	50,000
	3,236,806	3,176,189
	\$ 3,747,476	\$ 3,293,703

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

**The Alberta Historical Resources Foundation**  
**Statement of Cash Flow**  
**Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 60,617	\$ 9,255
Decrease in Inventory	75	213
Decrease (Increase) in Accounts Receivable	(33)	5,349
Increase in Accounts Payable and Accrued Liabilities	393,156	96,038
	453,815	110,855
Cash, Beginning of Year	3,238,059	3,127,204
Cash, End of Year	\$ 3,691,874	\$ 3,238,059

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

**The Alberta Historical Resources Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**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**

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

**(a) Reporting Entity**

The reporting entity is the Alberta Historical Resources Foundation, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) 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.
- 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.

**The Alberta Historical Resources Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**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 fair value 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.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

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.

Tangible 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 Alberta Historical Resources Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Assets (continued)**

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 artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

**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, accounts payable and accrued liabilities are estimated to approximate their carrying 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 three 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.

Cash in the amount of \$20,805 has been restricted for the Roger Soderstrom Fellowship fund and is therefore not available to pay for operating expenses of the Foundation. (Note 6)

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**  
**Year ended March 31, 2004**

**Note 4 Tangible Capital Assets**

		2004		2003	
Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Equipment	7 years	\$ 3,331	\$ (3,331)	\$ -	\$ -

**Note 5 Collections**

The Foundation has a collection of historical assets which is comprised of paintings, sketches, photographs and antique furnishings. At year end, the collection consisted of 401 (2003 – 410) artworks with an estimated value of \$16,950 (2003 – \$17,290), and 30 (2003 – 30) antique furnishings estimated at \$12,700 (2003 – \$12,700). During the year, the Foundation did not acquire any historical assets (2003 – Nil) and there were 9 (2003 – 6) dispositions.

**Note 6 Restricted Funds**

	2004	2003
Roger Soderstrom Fellowship Fund <sup>(a)</sup>	\$ 20,805	\$ 24,490

<sup>(a)</sup> 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**  
**Year ended March 31, 2004**

**Note 8 Honoraria**

	2004			2003
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Board <sup>(c)</sup>				
Chair	\$ 3,886	\$ -	\$ 3,886	\$ 3,821
Other Members (10)	19,016	-	19,016	12,724
	\$ 22,902	\$ -	\$ 22,902	\$ 16,545

(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**  
**Year ended March 31, 2004**

**Note 9 Commitments**

At the year-end, the Foundation has the following commitments:

	2004	2003
Heritage Preservation <sup>(a)</sup>	\$ 1,469,009	\$ 1,101,847
Heritage Awareness <sup>(a)</sup>	665,689	593,763
Main Street Program <sup>(b)</sup>		
2003-2004	-	370,000
2004-2005	-	175,000
Glenbow Museum		
2003-2004	-	2,688,000
2004-2005	2,738,000	2,738,000
Service Contract	10,000	-
Vehicle Leases <sup>(c)</sup>	12,109	21,473
	\$4,894,807	\$7,688,083

(a) These commitments are for grants approved as at March 31, 2004, 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.

(c) The Foundation leases vehicles under operating leases that expire on various dates to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2004-2005	\$ 9,082	
2005-2006		3,027
		\$ 12,109

**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  
Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 4,090,000	\$ 3,711,284	\$ 3,058,327
Supplies and Services	2,853,500	2,939,088	2,792,852
Supplies and Services from Support Services Arrangements with Related Parties <sup>(a)</sup>	197,000	367,000	181,000
Honoraria (Note 8)	21,500	22,902	16,545
	\$ 7,162,000	\$ 7,040,274	\$ 6,048,724

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

**The Alberta Historical Resources Foundation**  
**Budget**  
**Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 6,946,000	\$ -	\$ 6,946,000
Investment Income	210,000	-	210,000
Other Revenue	6,000	-	6,000
	<u>7,162,000</u>	<u>-</u>	<u>7,162,000</u>
<b>Expenses</b>			
Support to Provincial Heritage Organizations	1,696,000	-	1,696,000
Glenbow Museum	2,688,000	-	2,688,000
Heritage Preservation Projects	1,456,000	-	1,456,000
Main Street Program	725,000	-	725,000
Heritage Awareness Projects	448,000	-	448,000
Roger Soderstrom Fellowship Projects	5,000	-	5,000
Administration	144,000	-	144,000
	<u>7,162,000</u>	<u>-</u>	<u>7,162,000</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Alberta Historical Resources Foundation**  
**Related Party Transactions**  
**Year ended March 31, 2004**

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, 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 Foundation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenue				
Transfer from Department of Community Development	\$ 6,946,000	\$ 5,913,000	\$ -	\$ -
Expenses – Directly Incurred				
Grants	\$ 25,000	\$ 25,000	\$ -	\$ -
Other services	-	-	14,673	10,238
	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 14,673</u>	<u>\$ 10,238</u>
Accounts Payable	<u>\$ 9,709</u>	<u>\$ 2,607</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	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 22,039	\$ 14,605
Other Services	344,332	312,846	-	35
	<u>\$ 344,332</u>	<u>\$ 312,846</u>	<u>\$ 22,039</u>	<u>\$ 14,640</u>

**The Alberta Historical Resources Foundation**  
**Allocated Costs**  
**Year ended March 31, 2004**

Program	2004		2003	
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others	Expenses	Expenses
	Accommodation Costs <sup>(b)</sup>	Other Services <sup>(c)</sup>	Total Expenses	Total Expenses
Support to Provincial Heritage Organizations	\$ 1,696,450	\$ -	\$ 1,696,450	\$ 1,378,450
Glenbow Museum	2,688,000	-	2,688,000	2,563,000
Heritage Preservation Projects	965,054	-	965,054	940,085
Main Street Program	1,161,503	11,048	1,183,478	743,113
Heritage Awareness Projects	322,506	-	322,506	308,396
Roger Soderstrom Fellowship Projects	4,311	-	4,311	-
Administration	202,450	10,991	546,846	443,166
	\$ 7,040,274	\$ 22,039	\$ 7,406,645	\$ 6,376,210

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

<sup>(b)</sup> Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

<sup>(c)</sup> Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.

# **Alberta Sport, Recreation, Parks and Wildlife Foundation**

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Financial Statements

March 31, 2004

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Financial Statements**  
**March 31, 2004**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

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 the Alberta Sport, Recreation, Parks and Wildlife Foundation

I have audited the statement of financial position of the Alberta Sport, Recreation, Parks and Wildlife Foundation as at March 31, 2004 and the statements of operations and cash flow 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 Alberta Sport, Recreation, Parks and Wildlife Foundation as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Statement of Operations**  
**For the year ended March 31, 2004**

	2004				2003	
	Budget (Schedule 2)	Operating Fund	Restricted Fund	Endowment Fund	Total Actual	Total Actual
<b>Revenues</b>						
Internal Government Transfers	\$ 17,795,000	\$ 17,776,145	\$ -	\$ -	\$ 17,776,145	\$ 15,210,000
Transfers from Government of Canada	-	200,000	-	-	200,000	-
Investment Income	295,000	123,104	64,125	-	187,229	182,114
Premiums, Fees and Licences	100,000	175,432	-	-	175,432	65,657
<b>Other Revenue</b>						
Donations	832,000	367,740	371,236	1,120	740,096	484,341
Percy Page Centre Sales (Note 10)	505,000	446,164	-	-	446,164	438,732
Refunds of Expenses	20,000	3,503	21,500	-	25,003	17,983
Parks and Wildlife Ventures Sales	-	-	1,494	-	1,494	3,872
Miscellaneous Revenue	70,000	53,197	-	-	53,197	55,002
	<u>19,617,000</u>	<u>19,145,285</u>	<u>458,355</u>	<u>1,120</u>	<u>19,604,760</u>	<u>16,457,701</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 4)</b>						
Provincial Programs	11,482,000	11,457,551	75,549	-	11,533,100	9,348,153
Alberta and Interprovincial Games	3,044,000	2,950,096	91,606	-	3,041,702	2,643,356
Municipal Recreation / Tourism Areas	1,528,000	1,489,600	-	-	1,489,600	1,498,400
Active Lifestyles	1,450,000	1,449,633	-	-	1,449,633	1,306,299
Provincial and Regional Development	700,000	660,000	40,000	-	700,000	514,443
Percy Page Centre (Note 10)	506,000	453,977	-	-	453,977	478,027
Parks and Wildlife Ventures	427,000	203,465	95,655	-	299,120	293,073
Other Initiatives	130,000	61,535	31,248	-	92,783	26,482
Administration	356,000	285,345	6,106	-	291,451	300,537
	<u>19,623,000</u>	<u>19,011,202</u>	<u>340,164</u>	<u>-</u>	<u>19,351,366</u>	<u>16,408,770</u>
Net Operating Results	<u>\$ (6,000)</u>	134,083	118,191	1,120	253,394	48,931
Fund Balances at Beginning of Year		239,018	3,703,862	412,745	4,355,625	4,306,694
Interfund Transfer (Note 9)		(43,825)	43,825	-	-	-
Fund Balances at End of Year		<u>\$ 329,276</u>	<u>\$ 3,865,878</u>	<u>\$ 413,865</u>	<u>\$4,609,019</u>	<u>\$ 4,355,625</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, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 2,711,093	\$ 2,692,500
Accounts Receivable (Note 4)	232,837	112,507
Prepaid Expenses and Inventory	55,460	46,836
	2,993,390	2,851,843
 Tangible Capital Assets (Note 5)	 2,327,917	 2,155,698
	\$ 5,327,307	\$ 5,007,541
 <b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 718,288	\$ 644,837
Unearned Revenue	-	7,079
	718,288	651,916
 <b>Fund Balances</b>		
Operating	329,276	239,018
Endowment (Note 7)	413,865	412,745
Restricted (Note 8)	3,865,878	3,703,862
	4,609,019	4,355,625
	\$ 5,327,307	\$ 5,007,541

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

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Statement of Cash Flow**  
**For the year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 253,394	\$ 48,931
Non-cash Items included in Net Operating Results		
Amortization of Tangible Capital Assets	6,106	6,106
	259,500	55,037
Decrease (Increase) in Accounts Receivable	(120,330)	93,050
Increase in Prepaid Expenses and Inventory	(8,624)	(12,244)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	73,451	(222,530)
Increase (Decrease) in Unearned Revenue	(7,079)	7,079
	196,918	(79,608)
Cash Provided by (Applied to) Operating Transactions		
Capital Transactions		
Purchase of Tangible Capital Assets	(140,325)	-
Donation of Tangible Capital Assets	(38,000)	-
	(178,325)	-
Cash Applied to Capital Transactions		
Increase (Decrease) in Cash	18,593	(79,608)
Cash, Beginning of Year	2,692,500	2,772,108
Cash, End of Year	\$ 2,711,093	\$ 2,692,500

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, 2004**

**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**

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

**(a) Reporting Entity**

The reporting entity is the Alberta Sport, Recreation, Parks and Wildlife Foundation, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) 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;
- 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; and

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Fund Accounting (continued)**

- The endowment fund accounts for contributions received under various agreements with sponsors and matching funds provided by the Foundation. Interest earned on the existing endowment funds 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 basis of accounting.

Cash donations are reported when received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value 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 tangible capital assets.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

Incurred by Others

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

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**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.

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

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

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

**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 values of cash, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

**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 depositor's capital. The portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three years. Interest is earned on the Foundation's daily cash balance at the average rate of the 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.

Cash in the amount of \$1,818,104 has been externally restricted and \$315,022 has been internally restricted and is therefore not available to pay for operating expenses of the Foundation. (Note 7 and 8)

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2004**

**Note 4 Accounts Receivable**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 120,394	\$ -	\$ 120,394	\$ 107,651
Other	6,298	-	6,298	4,856
Refunds of Expenses	106,145	-	106,145	-
	\$ 232,837	\$ -	\$ 232,837	\$ 112,507

Accounts receivable are unsecured and non-interest bearing.

**Note 5 Tangible Capital Assets**

	Estimated Useful Life	2004			2003
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land, Unrestricted	N/A	\$ 181,300	\$ -	\$ 181,300	\$ 181,300
Land, Use Restricted by Donors <sup>(a)</sup>	N/A	1,932,699	-	1,932,699	1,765,199
Buildings, Use Restricted by Donors <sup>(a)</sup>	40 years	255,059	(41,141)	213,918	209,199
		\$ 2,369,058	\$ (41,141)	\$ 2,327,917	\$ 2,155,698

<sup>(a)</sup> Restricted for use in the Parks and Wildlife Ventures program.

**Note 6 Artworks**

The Foundation has a collection of artworks consisting of 22 (2003 – 23) prints of the Waterfowl of North America Collection #1250 with an approximate value of \$6,290 (2003 – \$6,558). During the year, there was 1 (2003 – 2) disposition. The proceeds received of \$140 were donated to the Alberta Sports Hall of Fame and Museum for charitable purposes.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2004**

**Note 7 Endowment Fund**

The endowment fund balance comprises:

	2004	2003
Externally Restricted Contributions	\$ 215,955	\$ 214,835
Internally Restricted Matching Funds	197,910	197,910
	\$ 413,865	\$ 412,745

**Note 8 Restricted Fund**

The restricted fund balance comprises:

	2004	2003
Investment in Land and Buildings <sup>(a)</sup>	\$ 2,146,617	\$ 1,974,398
Externally Restricted Funds	1,602,149	1,616,631
Internally Restricted Funds	117,112	112,833
	\$ 3,865,878	\$ 3,703,862

<sup>(a)</sup> The land and buildings are governed by restrictions that require the Foundation to use these assets for its programs.

**Note 9 Interfund Transfer**

The Board of Directors approved an interfund transfer of \$43,825 from the operating fund to the restricted fund.

**Note 10 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, 2004**

**Note 11 Honoraria**

	2004		2003	
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Board <sup>(c)</sup>				
Chair	\$ 1,225	\$ -	\$ 1,225	\$ 1,066
Other Members (9)	12,122	-	12,122	17,835
	<u>\$ 13,347</u>	<u>\$ -</u>	<u>\$ 13,347</u>	<u>\$ 18,901</u>

- (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 Board 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 12 Commitments**

At March 31, 2004, the Foundation has the following commitments:

	2004	2003
Grant Agreements	\$ 737,925	\$ 1,960,900
Long-term Leases <sup>(a)</sup>	430,117	513,009
Service Contracts	51,770	264,075
	<u>\$ 1,219,812</u>	<u>\$ 2,737,984</u>

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



**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Notes to the Financial Statements**  
**For the year ended March 31, 2004**

**Note 12 Commitments (continued)**

The aggregate amounts payable for these leases are as follows:

	<u>2004</u>
2004-2005	\$ 86,677
2005-2006	88,959
2006-2007	79,974
2007-2008	60,648
2008-2009	58,062
Thereafter	<u>55,797</u>
	<u>\$ 430,117</u>

**Note 13 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 14 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, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 15,974,000	\$ 15,331,653	\$ 12,795,227
Supplies and Services	2,143,299	2,361,280	2,167,536
Supplies and Services from Support Service			
Arrangements with Related Parties <sup>(a)</sup>	1,488,201	1,638,980	1,421,000
Honoraria (Note 11)	11,500	13,347	18,901
Amortization of Tangible Capital Assets	6,000	6,106	6,106
	<u>\$ 19,623,000</u>	<u>\$ 19,351,366</u>	<u>\$ 16,408,770</u>

<sup>(a)</sup> The Foundation receives administrative services for various recreational, park, and wildlife facilities as well as other general financial and administrative services from the Department of Community Development.

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Budget**  
**For the year ended March 31, 2004**

	2003-2004 Budget	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
<b>Internal Government Transfers</b>			
Department of Community Development	\$ 17,670,000	\$ -	\$ 17,670,000
Alberta Foundation for the Arts	125,000	-	125,000
Investment Income	295,000	-	295,000
Premiums, Fees and Licences	100,000	-	100,000
<b>Other Revenue</b>			
Donations	832,000	-	832,000
Percy Page Centre Sales	505,000	-	505,000
Refunds of Expenses	20,000	-	20,000
Miscellaneous Revenue	70,000	-	70,000
	<u>\$ 19,617,000</u>	<u>\$ -</u>	<u>\$ 19,617,000</u>
<b>Expenses – Directly Incurred</b>			
Provincial Programs	11,482,000	-	11,482,000
Alberta and Interprovincial Games	3,044,000	-	3,044,000
Municipal Recreation / Tourism Areas	1,528,000	-	1,528,000
Active Lifestyles	1,450,000	-	1,450,000
Provincial and Regional Development	700,000	-	700,000
Percy Page Centre	506,000	-	506,000
Parks and Wildlife Ventures	427,000	-	427,000
Other Initiatives	130,000	-	130,000
Administration	356,000	-	356,000
	<u>19,623,000</u>	<u>-</u>	<u>19,623,000</u>
<b>Net Operating Results</b>	<u>\$ (6,000)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>
<b>Capital Investment</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Related Party Transactions**  
**For the year ended March 31, 2004**

Related parties are those entities consolidated or accounted for on the 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, 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 Foundation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Internal Government Transfers				
Department of Community Development	\$ 17,670,000	\$ 15,085,000	\$ -	\$ -
Alberta Foundation for the Arts	106,145	125,000	-	-
	<u>\$ 17,776,145</u>	<u>\$ 15,210,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses – Directly Incurred				
Other services	\$ -	\$ -	\$ 80,614	\$ 67,196
Accounts Receivable	<u>\$ 106,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 40,216</u>	<u>\$ 18,574</u>	<u>\$ -</u>	<u>\$ 1,881</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 but are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 752,758	\$ 731,744
Legal Services	-	2,074	10,959	27,528
Other Services	266,888	264,600	-	-
	<u>\$ 266,888</u>	<u>\$ 266,674</u>	<u>\$ 763,717</u>	<u>\$ 759,272</u>

**Alberta Sport, Recreation, Parks and Wildlife Foundation**  
**Allocated Costs**  
**For the year ended March 31, 2004**

Program	Expenses – Incurred by Others					2003	
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(d)</sup>	Total Expenses	Total Expenses	Total Expenses
Provincial Programs	\$ 11,533,100	\$ 5,700	\$ -	\$ 85,404	\$ 11,624,204	\$ 9,439,413	
Alberta and Interprovincial Games	3,041,702	58,385	-	96,080	3,196,167	2,819,568	
Municipal Recreation / Tourism Areas	1,489,600	932	-	13,344	1,503,876	1,512,804	
Active Lifestyles	1,449,633	1,035	-	10,676	1,461,344	1,318,187	
Provincial and Regional Development	700,000	52	-	2,669	702,721	517,154	
Percy Page Centre (Note 10)	453,977	683,600	-	10,676	1,148,253	1,126,420	
Parks and Wildlife Ventures	299,120	880	10,959	16,013	326,972	310,058	
Other Initiatives	92,783	52	-	2,669	95,504	58,795	
Administration	291,451	2,122	-	29,357	322,930	332,317	
	<u>\$ 19,351,366</u>	<u>\$ 752,758</u>	<u>\$ 10,959</u>	<u>\$ 266,888</u>	<u>\$ 20,381,971</u>	<u>\$ 17,434,716</u>	

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

(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

(c) Costs shown for Legal Services on Schedule 3, allocated by estimated costs incurred by each program.

(d) Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.



# **The Government House Foundation**

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Financial Statements

March 31, 2004

**The Government House Foundation  
Financial Statements  
March 31, 2004**

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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 Directors of Government House Foundation

I have audited the statement of financial position of the Government House Foundation as at March 31, 2004 and the statements of operations and cash flow 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, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**The Government House Foundation**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from the Alberta Historical Resources Foundation	\$ 25,000	\$ 25,000	\$ 25,000
Investment Income	4,000	3,441	2,935
Other Revenue	-	-	8,131
Donations	-	-	800
	<u>29,000</u>	<u>28,441</u>	<u>36,866</u>
<b>Expenses – Directly Incurred</b> (Note 2(b) and Schedules 1 and 4)			
Administration	11,000	10,000	11,167
Public Relations	1,000	9,751	13,153
Conservation of Collections	3,000	2,791	-
Collection Acquisitions	35,000	-	-
	<u>50,000</u>	<u>22,542</u>	<u>24,320</u>
Net Operating Results	<u>\$ (21,000)</u>	5,899	12,546
Fund Balance, Beginning of Year		<u>99,631</u>	<u>87,085</u>
Fund Balance, End of Year		<u>\$ 105,530</u>	<u>\$ 99,631</u>

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

**The Government House Foundation  
Statement of Financial Position  
As at March 31, 2004**

	2004	2003
<b>Assets</b>		
Cash	\$ 108,612	\$ 99,728
Accounts Receivable	85	48
	\$ 108,697	\$ 99,776
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 3,167	\$ 145
<b>Equity</b>		
Fund Balance	105,530	99,631
	\$ 108,697	\$ 99,776

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

**The Government House Foundation**  
**Statement of Cash Flow**  
**Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 5,899	\$ 12,546
Decrease (Increase) in Accounts Receivable	(37)	15
Increase (Decrease) in Accounts Payable and Accrued Liabilities	3,022	(385)
Cash Provided by Operating Transactions	8,884	12,176
Cash, Beginning of Year	99,728	87,552
Cash, End of Year	\$ 108,612	\$ 99,728

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

**The Government House Foundation  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 a 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, device, 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 Summary of Significant Accounting Policies and Reporting Practices**

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

**(a) Reporting Entity**

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

Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation, when fair value can reasonably be determined.

**The Government House Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Revenues (continued)**

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 and Collections**

Artworks are not recorded as assets. Purchases of artworks are expensed in the period in which the items are acquired. Donations of artworks and collection items are reported as revenue and expenses at their fair value when fair value can be determined. When fair value cannot be reasonably determined, these donations are recorded at nominal value.

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.

**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.

**Fair Value**

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

**The Government House Foundation  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**Fair Value (continued)**

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

**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 three 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, 2004, the collection consisted of approximately 379 (2003 – 379) pieces of artworks and other items, with an approximate value of \$948,342, (2003 – \$948,342). During the year, the Foundation purchased artworks at a total cost of Nil, (2003 – Nil). There were no contributions to the collections during the year, (2003 – Nil), and there were no disposals during the year, (2003 – Nil).

**Note 5 Commitments**

At March 31, 2004, the Foundation had commitments in the amount of approximately \$4,700 (2003 – \$4,000) relating to program contracts.

**Note 6 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 7 Approval of Financial Statements**

The financial statements were approved by the Board of Directors.

**The Government House Foundation**  
**Expenses – Directly Incurred Detailed by Object**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Supplies and Services			
Contract Services	\$ 8,500	\$ 14,409	\$ 8,329
General Office	2,000	4,961	11,214
Hosting	2,000	2,466	3,201
Materials and Supplies	37,500	706	1,576
	\$ 50,000	\$ 22,542	\$ 24,320



**The Government House Foundation  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
Revenues			
Internal Government Transfers	\$ 25,000	\$ -	\$ 25,000
Investment Income	4,000	-	4,000
Other Revenue	-	-	-
	<u>29,000</u>	<u>-</u>	<u>29,000</u>
Expenses – Directly Incurred			
Administration	11,000	-	11,000
Public Relation	1,000	-	1,000
Conservation of Collections	3,000	-	3,000
Collection Acquisitions	35,000	-	35,000
	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Operating Results	<u>\$ (21,000)</u>	<u>\$ -</u>	<u>\$ (21,000)</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Government House Foundation  
Related Party Transactions  
Year ended March 31, 2004**

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, 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 Foundation had the following transactions with related parties recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Transfers from the Alberta Historical Resources Foundation	\$ 25,000	\$ 25,000	\$ -	\$ -
Expenses – Directly Incurred				
Other Services	\$ -	\$ -	\$ 1,705	\$ 2,043
Accounts Payable	\$ 76	\$ 145	\$ -	\$ -

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	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 650	\$ 745
Other Services	6,815	6,616	-	-
	\$ 6,815	\$ 6,616	\$ 650	\$ 745

**The Government House Foundation  
Allocated Costs  
Year ended March 31, 2004**

Program	Expenses – Incurred by Others			
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Other Services <sup>(c)</sup>	Total Expenses
				2003
				2004
Administration	\$ 10,000	\$ 288	\$ 3,023	\$ 13,311
Public Relations	9,751	282	2,948	12,981
Conservation of Collections	2,791	80	844	3,715
Collection Acquisitions	-	-	-	-
	<u>\$ 22,542</u>	<u>\$ 650</u>	<u>\$ 6,815</u>	<u>\$ 30,007</u>
				<u>\$ 31,681</u>

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

(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

(c) Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.



## **Historic Resources Fund**

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Financial Statements

March 31, 2004

**Historic Resources Fund  
Financial Statements  
March 31, 2004**

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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, 2004 and the statements of operations and cash flow 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 prior years, the Ministry of Community Development 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, 2004, accumulated surpluses of approximately \$216,000 have been returned to the Fund and recorded as deferred contributions instead of being recorded as part of the fund balance. In addition, the Fund has not recorded Ministry's surpluses generated by the operation of government-owned facilities that have not been returned to the Fund by the volunteer societies, which are estimated to be \$109,000. The effect of this departure from Canadian generally accepted accounting principles is to overstate liabilities by approximately \$216,000, understate assets by approximately \$109,000 and understate fund balance by approximately \$325,000 at March 31, 2004.

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 Fund as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Historic Resources Fund  
Statement of Operations  
Year ended March 31, 2004**

	2004		2003
	Budget (Schedule 3)	Actual	Actual (Restated Note 3)
Revenues (Note 3 and Schedule 1)			
Interpretative Programs and Services	\$ 4,091,000	\$ 3,618,198	\$ 3,747,769
Promotion and Presentation	2,960,000	2,299,193	2,388,413
Donations	67,000	785,404	1,665,759
Other Initiatives	529,000	736,801	626,854
Provincial Archives Services	100,000	75,933	205,284
Investment Income	80,000	87,806	108,560
Miscellaneous	-	495	16,803
	<u>7,827,000</u>	<u>7,603,830</u>	<u>8,759,442</u>
Expenses – Directly Incurred (Note 3 and Schedules 2 and 5)			
Interpretative Programs and Services	4,041,000	3,380,459	3,119,902
Promotion and Presentation	3,367,000	2,810,375	3,042,908
Other Initiatives	279,000	195,181	226,058
Provincial Archives	167,000	142,645	217,975
	<u>7,854,000</u>	<u>6,528,660</u>	<u>6,606,843</u>
Valuation Adjustments			
Provision for Doubtful Accounts	-	17,862	14,571
		<u>6,546,522</u>	<u>6,621,414</u>
Net Operating Results	<u>\$ (27,000)</u>	1,057,308	2,138,028
Fund Balance at Beginning of Year		<u>4,187,755</u>	<u>2,049,727</u>
Fund Balance at End of Year		<u>\$ 5,245,063</u>	<u>\$ 4,187,755</u>

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



**Historic Resources Fund  
Statement of Financial Position  
As at March 31, 2004**

	2004	2003
		(Restated Note 3)
<b>Assets</b>		
Cash (Note 4)	\$ 2,389,530	\$ 3,040,315
Accounts Receivable (Note 5)	103,321	506,914
Inventory	244,822	182,495
Prepaid Expenses	3,777	23,467
Tangible Capital Assets (Note 6)	3,899,401	2,759,563
	\$ 6,640,851	\$ 6,512,754
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 856,285	\$ 1,280,899
Deferred Contributions (Note 7)	472,083	976,501
Unearned Revenue	67,420	67,599
	1,395,788	2,324,999
<b>Fund Balance</b>	5,245,063	4,187,755
	\$ 6,640,851	\$ 6,512,754

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

**Historic Resources Fund  
Statement of Cash Flow  
Year ended March 31, 2004**

	2004	2003 (Restated Note 3)
Operating Transactions		
Net Operating Results	\$ 1,057,308	\$ 2,138,028
Non-cash Items		
Amortization of Tangible Capital Assets	328,789	125,653
Valuation Adjustments	17,862	14,571
	1,403,959	2,278,252
Decrease (Increase) in Accounts Receivable before Valuation Adjustments	385,731	(370,824)
Increase in Inventory	(62,327)	(65,465)
Decrease (Increase) in Prepaid Expenses	19,690	(6,427)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(424,614)	828,364
Decrease in Deferred Contributions	(504,418)	(1,038,314)
Decrease in Unearned Revenue	(179)	(268,069)
Cash Provided by Operating Transactions	817,842	1,357,517
Capital Transactions		
Acquisition of Tangible Capital Assets	(1,213,127)	(1,899,427)
Donation of Tangible Capital Assets	(255,500)	(169,900)
Cash Applied to Capital Transactions	(1,468,627)	(2,069,327)
Decrease in Cash	(650,785)	(711,810)
Cash, Beginning of Year	3,040,315	3,752,125
Cash, End of Year	\$ 2,389,530	\$ 3,040,315

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

**Historic Resources Fund  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 Summary of Significant Accounting Policies and Reporting Practices**

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

**(a) Reporting Entity**

The reporting entity is the Historic Resources Fund, which is part of the Ministry of Community Development (Ministry), and for which the Minister of Community Development (Minister) 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.

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 at the date of donation when fair value can reasonably be determined.

**Historic Resources Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Revenues (continued)**

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.

**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. In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include amortization of tangible capital assets.

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.

Tangible capital assets of the Fund 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 capital assets is \$5,000.

**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, accounts payable and accrued liabilities are estimated to approximate their carrying values.

**Historic Resources Fund  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 3 Correction of Error**

The comparative figures include donations-in-kind that were not previously recorded and museum exhibits that had been incorrectly expensed. This correction has the effect on the comparative figures of increasing revenue by \$169,000, increasing capital assets and equity by \$681,467 (April 1, 2002) and \$1,815,097 (April 1, 2003) and decreasing expenses by \$1,645,197 (2002 – \$681,467).

**Note 4 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 three 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 5 Accounts Receivable**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 128,787	\$ 25,466	\$ 103,321	\$ 402,289
Accounts Receivable from Department of Community Development	-	-	-	104,625
	<u>\$ 128,787</u>	<u>\$ 25,466</u>	<u>\$ 103,321</u>	<u>\$ 506,914</u>

**Historic Resources Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 6 Tangible Capital Assets**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value (Restated Note 3)
Equipment	3-10 years	\$ 4,268,806	\$ (439,661)	\$ 3,829,145	\$ 2,679,947
Computer Hardware and Software	5 years	106,739	(36,483)	70,256	79,616
		<u>\$ 4,375,545</u>	<u>\$ (476,144)</u>	<u>\$ 3,899,401</u>	<u>\$ 2,759,563</u>

**Note 7 Deferred Contributions**

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

Changes in the deferred contributions balance are as follows:

	2004	2003
Restricted Contributions Received During the Year:		
Promotion and Presentation	\$ 63,743	\$ 177,237
Other Initiatives	295,869	271,447
	359,612	448,684
Less: Amounts Recognized as Revenue in the Year	(864,030)	(1,486,998)
Decrease During the Year	(504,418)	(1,038,314)
Balance at Beginning of Year	976,501	2,014,815
Balance at End of Year	<u>\$ 472,083</u>	<u>\$ 976,501</u>
Balance at End of Year is Comprised of:		
Promotion and Presentation	\$ 368,319	\$ 712,649
Other Initiatives	103,764	263,852
	<u>\$ 472,083</u>	<u>\$ 976,501</u>

**Historic Resources Fund  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 8 Commitments**

As at March 31, 2004, the Fund has the following commitments:

	2004	2003
Program Contracts	\$ 2,144,619	\$ 297,314
Long-term Leases <sup>(a)</sup>	8,731	36,001
	\$ 2,153,350	\$ 335,315

<sup>(a)</sup> The Fund 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:

2004 – 2005	\$ 8,731
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**Note 9 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 10 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  
Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual (Restated Note 3)
Transfers from Government of Canada	\$ 350,000	\$ 68,747	\$ 140,335
Investment Income	80,000	87,806	108,560
Premiums, Fees and Licences	4,341,000	3,783,275	3,819,722
Other Revenue			
Recoveries	2,989,000	2,217,541	1,759,976
Donations	67,000	785,404	1,665,759
Rental Revenue	-	5,963	617,160
Other Grants and Contributions	-	579,291	622,772
Refunds of Expenses	-	69,619	16,764
Other Miscellaneous Revenue	-	6,184	8,394
	\$ 7,827,000	\$ 7,603,830	\$ 8,759,442



**Historic Resources Fund**  
**Expenses – Directly Incurred Detailed by Object**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual (Restated Note 3)
Supplies and Services			
Materials and Supplies	\$ 1,407,000	\$ 1,490,453	\$ 1,522,534
Contract Services	4,895,000	3,904,275	4,153,387
General Office	508,000	291,891	367,120
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	811,000	448,966	322,973
Travel	130,000	57,254	95,542
Hosting	76,000	7,032	19,634
Amortization of Tangible Capital Assets	27,000	328,789	125,653
	<u>\$ 7,854,000</u>	<u>\$ 6,528,660</u>	<u>\$ 6,606,843</u>
Valuation Adjustments			
Provision for Doubtful Accounts	<u>\$ -</u>	<u>\$ 17,862</u>	<u>\$ 14,571</u>

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

**Historic Resources Fund  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
Transfers from the Government of Canada	\$ 350,000	\$ -	\$ 350,000
Investment Income	80,000	-	80,000
Premiums, Fees and Licences	4,341,000	-	4,341,000
Other Revenue	3,056,000	-	3,056,000
	<u>7,827,000</u>	<u>-</u>	<u>7,827,000</u>
<b>Expenses – Directly Incurred</b>			
Interpretive Programs and Services	4,041,000	-	4,041,000
Promotion and Presentation	3,367,000	-	3,367,000
Other Initiatives	279,000	-	279,000
Provincial Archives	167,000	-	167,000
	<u>7,854,000</u>	<u>-</u>	<u>7,854,000</u>
<b>Net Operating Results</b>	<u>\$ (27,000)</u>	<u>\$ -</u>	<u>\$ (27,000)</u>
<b>Capital Investment</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Historic Resources Fund  
Related Party Transactions  
Year ended March 31, 2004**

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, 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 Fund had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003 (Restated Note 3)	2004	2003
Revenues				
Grants	\$ -	\$ 155,400	\$ -	\$ -
Expenses – Directly Incurred				
Other services	\$ -	\$ -	\$ 110,906	\$ 20,248
Accounts Payable	\$ 176,523	\$ 30,452	\$ -	\$ -
Accounts Receivable	\$ -	\$ 104,625	\$ -	\$ -

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	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 43,791	\$ 39,998
Other Services	240,235	281,066	-	-
	<u>\$ 240,235</u>	<u>\$ 281,066</u>	<u>\$ 43,791</u>	<u>\$ 39,998</u>

**Historic Resources Fund  
Allocated Costs  
Year ended March 31, 2004**

Program	2004				2003	
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others		Valuation Adjustments	Total Expenses	Total Expenses
		Accommodation <sup>(b)</sup>	Other Services <sup>(c)</sup>			
Interpretative Programs and Services	\$ 3,380,459	\$ 22,613	\$ 124,051	\$ -	\$ 3,527,123	\$ 3,245,563
Promotion and Presentation	2,810,375	18,917	103,778	17,637	2,950,707	3,216,890
Other Initiatives	195,181	1,306	7,163	-	203,650	251,277
Provincial Archives	142,645	955	5,243	225	149,068	228,748
	<u>\$ 6,528,660</u>	<u>\$ 43,791</u>	<u>\$ 240,235</u>	<u>\$ 17,862</u>	<u>\$ 6,830,548</u>	<u>\$ 6,942,478</u>

- (a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.
- (b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 4, allocated by square footage.
- (c) Costs shown for Other Services on Schedule 4, allocated by estimated costs incurred by each program.
- (d) Doubtful Accounts Provision were estimated and allocated to program.

# **Human Rights, Citizenship and Multiculturalism Education Fund**

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Financial Statements

March 31, 2004

**Human Rights, Citizenship and Multiculturalism Education Fund  
Financial Statements  
March 31, 2004**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

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 Minister of Community Development

I have audited the statement of financial position of the Human Rights, Citizenship and Multiculturalism Education Fund as at March 31, 2004 and the statements of operations and cash flow 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 Human Rights, Citizenship and Multiculturalism Education Fund as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from the Department of Community Development	\$ 1,265,000	\$ 1,265,000	\$ 1,062,000
Transfers from the Alberta Heritage Scholarship Fund	45,000	29,294	32,216
Investment Income	150,000	100,436	101,621
Premiums, Fees and Licences	10,000	-	-
Other Revenue			
Refunds of Expenses	15,000	114	23,189
Donations	-	-	19,000
Other	-	14,266	6,168
	<u>1,485,000</u>	<u>1,409,110</u>	<u>1,244,194</u>
<b>Expenses – Directly Incurred</b> (Note 2(b) and Schedules 1 and 4)			
Support to Community Groups	926,000	797,695	745,173
Education Programs	245,000	282,633	183,563
Administration	204,000	211,457	83,551
Cultural Diversity Institute	60,000	60,000	180,000
Fathers of Confederation	50,000	50,000	50,000
	<u>1,485,000</u>	<u>1,401,785</u>	<u>1,242,287</u>
Net Operating Results	<u>\$ -</u>	7,325	1,907
Fund Balance, Beginning of Year		<u>1,605,607</u>	<u>1,603,700</u>
Fund Balance, End of Year		<u>\$ 1,612,932</u>	<u>\$ 1,605,607</u>

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, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 1,674,941	\$ 1,895,006
Accounts Receivable (Note 4)	4,012	535
	1,678,953	1,895,541
Cash Appropriated for Non-Current Use (Notes 3 and 5)	1,450,000	1,450,000
	\$ 3,128,953	\$ 3,345,541
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 66,021	\$ 289,934
<b>Equity</b>		
Fund Balance	1,612,932	1,605,607
General Reserve (Note 5)	1,450,000	1,450,000
	3,062,932	3,055,607
	\$ 3,128,953	\$ 3,345,541

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

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Statement of Cash Flow**  
**Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 7,325	\$ 1,907
Decrease (Increase) in Accounts Receivable	(3,477)	1,299,635
(Decrease) in Accounts Payable and Accrued Liabilities	(223,913)	(1,054,583)
	(220,065)	246,959
Cash Provided by (Applied to) Operating Transactions		
Cash, Beginning of Year	1,895,006	1,648,047
Cash, End of Year	\$ 1,674,941	\$ 1,895,006

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

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**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**

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

**(a) Reporting Entity**

The reporting entity is the Fund, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) 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.

Cash donations are reported when received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation, when fair value can reasonably be determined.

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**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.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

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, accounts payable and accrued liabilities are estimated to approximate their carrying 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

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 3 Cash (continued)**

portfolio is comprised of high-quality short-term and mid-term fixed income securities with a maximum term to maturity of three 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.

**Note 4 Accounts Receivable**

	2004		2003	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
Accounts Receivable	\$ 4,012	\$ -	\$ 4,012	\$ 535
	\$ 4,012	\$ -	\$ 4,012	\$ 535

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, 2004, the Fund has the following commitments relating to program contracts and grants:

	2004	2003
2003-2004	\$ -	\$ 77,120
2004-2005	161,424	-
	\$ 161,424	\$ 77,120

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 7 Honoraria**

	2004			2003
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Advisory Committee Chair <sup>(c)</sup>	\$ -	\$ -	\$ -	\$ -
Vice-Chair <sup>(a)(d)</sup>	-	-	-	-
Other Members <sup>(e)</sup>	2,020	-	2,020	1,868
	\$ 2,020	\$ -	\$ 2,020	\$ 1,868

- (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 \$15,255 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**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 1,081,000	\$ 932,695	\$ 980,635
Supplies and Services	227,000	290,070	189,784
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	177,000	177,000	70,000
Honoraria (Note 7)	-	2,020	1,868
	<u>\$ 1,485,000</u>	<u>\$ 1,401,785</u>	<u>\$ 1,242,287</u>

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

**Human Rights, Citizenship and Multiculturalism Education Fund  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 1,265,000	\$ -	\$ 1,265,000
Transfers from the Alberta Heritage Scholarship Fund	45,000	-	45,000
Investment Income	150,000	-	150,000
Premiums, Fees and Licences	10,000	-	10,000
Other Revenue			
Refunds of Expenses	15,000	-	15,000
	<u>1,485,000</u>	<u>-</u>	<u>1,485,000</u>
<b>Expenses – Directly Incurred</b>			
Support to Community Groups	926,000	-	926,000
Education Programs	245,000	-	245,000
Administration	204,000	-	204,000
Cultural Diversity Institute	60,000	-	60,000
Fathers of Confederation	50,000	-	50,000
	<u>1,485,000</u>	<u>-</u>	<u>1,485,000</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Related Party Transactions**  
**Year ended March 31, 2004**

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, 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 Fund had the following transactions with related parties recorded in the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Transfers from the Department of Community Development	\$ 1,265,000	\$ 1,062,000	\$ -	\$ -
Transfers from the Alberta Heritage Scholarship Fund	-	-	29,294	32,216
	<u>\$ 1,265,000</u>	<u>\$ 1,062,000</u>	<u>\$ 29,294</u>	<u>\$ 32,216</u>
<b>Expenses – Directly Incurred</b>				
Grants	\$ -	\$ -	\$ -	\$ 50,000
Other Services	-	-	7,192	7,930
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,192</u>	<u>\$ 57,930</u>
Accounts Receivable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable	<u>\$ 5,350</u>	<u>\$ 30,700</u>	<u>\$ -</u>	<u>\$ 3,600</u>

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

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	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Accommodation	\$ -	\$ -	\$ 13,056	\$ 8,857
Legal Costs	-	-	724	-
Other Services	151,822	95,303	-	-
	<u>\$ 151,822</u>	<u>\$ 95,303</u>	<u>\$ 13,780</u>	<u>\$ 8,857</u>

**Human Rights, Citizenship and Multiculturalism Education Fund**  
**Allocated Costs**  
**Year ended March 31, 2004**

Program	Expenses – Incurred by Others					Total Expenses
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Other Services <sup>(d)</sup>	Total Expenses	
Support to Community Groups	\$ 797,695	\$ 4,853	\$ -	\$ 8,472	\$ 811,020	\$ 785,743
Education Programs	282,633	5,839	-	112,073	400,545	216,722
Administration	211,457	1,357	-	26,252	239,066	111,051
Cultural Diversity Institute	60,000	948	724	3,897	65,569	181,932
Fathers of Confederation	50,000	59	-	1,128	51,187	50,999
	<u>\$ 1,401,785</u>	<u>\$ 13,056</u>	<u>\$ 724</u>	<u>\$ 151,822</u>	<u>\$ 1,567,387</u>	<u>\$ 1,346,447</u>

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

(b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

(c) Costs shown for Legal Services on Schedule 3, allocated by estimated costs incurred by each program.

(d) Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.

# **The Wild Rose Foundation**

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Financial Statements

March 31, 2004

**The Wild Rose Foundation  
Financial Statements  
March 31, 2004**

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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 Members of the Wild Rose Foundation

I have audited the statement of financial position of the Wild Rose Foundation as at March 31, 2004 and the statements of operations and cash flow 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 Wild Rose Foundation as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 21, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**The Wild Rose Foundation**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from Department of Community Development	\$ 7,766,000	\$ 7,766,000	\$ 6,550,000
Investment Income	420,000	338,055	300,399
Premiums, Fees and Licences			
- Vitalize Conference for Volunteers	156,000	127,809	136,719
Other Revenue			
Donations			
- Vitalize Conference for Volunteers	53,000	45,904	25,284
Refunds of Expenses			
- Other Initiatives	100,000	8,374	94,909
Miscellaneous Revenue			
- Vitalize Conference for Volunteers	7,000	4,379	11,225
	<u>8,502,000</u>	<u>8,290,521</u>	<u>7,118,536</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 4)</b>			
Support to Alberta Non-Profit Organizations	4,115,000	4,476,449	4,049,954
International Development Program	1,705,000	1,859,514	1,672,018
Voluntary Sector Development	1,522,000	794,572	462,837
Vitalize Conference for Volunteers	637,000	521,078	474,475
Other Initiatives	250,000	219,064	201,365
Administration	274,000	226,576	186,091
	<u>8,503,000</u>	<u>8,097,253</u>	<u>7,046,740</u>
Net Operating Results	<u>\$ (1,000)</u>	193,268	71,796
Operating Fund Balance at Beginning of Year		<u>1,904,026</u>	<u>1,832,230</u>
Operating Fund Balance at End of Year		<u>\$ 2,097,294</u>	<u>\$ 1,904,026</u>

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

**The Wild Rose Foundation  
Statement of Financial Position  
As at March 31, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 3,715,170	\$ 3,007,059
Accounts Receivable	1,752	1,307
Prepaid Expenses	50,646	51,734
	3,767,568	3,060,100
Investment (Note 3)	6,500,000	6,500,000
Tangible Capital Assets (Note 4)	768	1,730
	\$ 10,268,336	\$ 9,561,830
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 1,669,500	\$ 1,157,804
Unearned Revenue	1,542	-
	1,671,042	1,157,804
<b>Equity</b>		
Endowment Fund – Internally Restricted (Note 5)	6,500,000	6,500,000
Operating Fund	2,097,294	1,904,026
	8,597,294	8,404,026
	\$ 10,268,336	\$ 9,561,830

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

**The Wild Rose Foundation  
Statement of Cash Flow  
Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 193,268	\$ 71,796
Non-cash Items		
Amortization of Tangible Capital Assets	962	1,587
	194,230	73,383
Increase in Accounts Receivable	(445)	(539)
Decrease (Increase) in Prepaid Expenses	1,088	(10,897)
Increase in Accounts Payable and Accrued Liabilities	511,696	600,336
Increase (Decrease) in Unearned Revenue	1,542	(5,823)
Cash Provided by Operating Transactions	708,111	656,460
Cash, Beginning of Year	3,007,059	2,350,599
Cash, End of Year	\$ 3,715,170	\$ 3,007,059

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



**The Wild Rose Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**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:

- To provide funding to volunteer, non-profit organizations that provide valuable services to Albertans;
- To foster or promote the use of volunteers, or to assist those who volunteer or use the services of volunteers in Alberta; and
- 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**

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

**(a) Reporting Entity**

The reporting entity is the Wild Rose Foundation, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) 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**

**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.

**The Wild Rose Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Revenue (continued)**

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 at the date of donation when fair value 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 tangible capital assets.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

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.

Tangible 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.

**Liabilities**

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

**The Wild Rose Foundation  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**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, accounts payable and accrued liabilities are estimated to approximate their carrying 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 three 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 internally restricted.

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

**Note 4 Tangible Capital Assets**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 years	\$ 10,582	\$ (9,814)	\$ 768	\$ 1,730
Computer Equipment	3 years	18,274	(18,274)	-	-
		<u>\$ 28,856</u>	<u>\$ (28,088)</u>	<u>\$ 768</u>	<u>\$ 1,730</u>

**The Wild Rose Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**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**

	2004			2003
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Board <sup>(c)</sup>				
Chair	\$ 16,832	\$ -	\$ 16,832	\$ 12,814
Other Members (6)	22,383	-	22,383	21,864
	\$ 39,215	\$ -	\$ 39,215	\$ 34,678

(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 7 Commitments**

As at March 31, 2004, the Foundation has the following commitments relating to program contracts and grants:

	2004	2003
2003 – 2004	\$ -	\$ 151,520
2004 – 2005	432,995	-
2005 – 2006	284,197	-
	\$ 717,192	\$ 151,520

**The Wild Rose Foundation  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 8 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 9 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**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 5,504,000	\$ 6,441,696	\$ 5,501,899
Supplies and Services	2,229,637	906,380	918,576
Supplies and Services from Support Services Arrangements with Related Parties <sup>(a)</sup>	722,829	709,000	590,000
Honoraria (Note 6)	45,534	39,215	34,678
Amortization of Tangible Capital Assets	1,000	962	1,587
	<u>\$ 8,503,000</u>	<u>\$ 8,097,253</u>	<u>\$ 7,046,740</u>

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

**The Wild Rose Foundation  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 7,766,000	\$ -	\$ 7,766,000
Investment Income	420,000	-	420,000
Premiums, Fees and Licences	156,000	-	156,000
Other Revenue	160,000	-	160,000
	<u>8,502,000</u>	<u>-</u>	<u>8,502,000</u>
<b>Expenses</b>			
Support to Alberta Non-Profit Organizations	4,115,000	-	4,115,000
International Development Program	1,705,000	-	1,705,000
Voluntary Sector Development	1,522,000	-	1,522,000
Vitalize Conference for Volunteers	637,000	-	637,000
Other Initiatives	250,000	-	250,000
Administration	274,000	-	274,000
	<u>8,503,000</u>	<u>-</u>	<u>8,503,000</u>
<b>Net Operating Results</b>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ (1,000)</u>
<b>Capital Investment</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Wild Rose Foundation  
Related Party Transactions  
Year ended March 31, 2004**

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, 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 Foundation had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Transfer from Department of Community Development	\$ 7,766,000	\$ 6,550,000	\$ -	\$ -
Expenses – Directly Incurred				
Other services	\$ -	\$ -	\$ 46,873	\$ 38,796
Accounts Payable	\$ 48,638	\$ 13,275	\$ -	\$ -

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	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 41,413	\$ 52,347
Other Services	41,855	36,670	-	12
	\$ 41,855	\$ 36,670	\$ 41,413	\$ 52,359



**The Wild Rose Foundation  
Allocated Costs  
Year ended March 31, 2004**

Program	Expenses – Incurred by Others				Total Expenses	Total Expenses
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Other Services <sup>(c)</sup>	Total Expenses		
Support to Alberta Non-Profit Organizations	\$ 4,476,449	\$ 10,353	\$ 10,464	\$ 4,497,266	\$ 4,076,659	
International Development Program	1,859,514	10,353	10,464	1,880,331	1,698,723	
Voluntary Sector Development	794,572	6,212	6,278	807,062	472,183	
Vitalize Conference for Volunteers	521,078	6,212	6,278	533,568	487,828	
Other Initiatives	219,064	4,142	4,186	227,392	205,371	
Administration	226,576	4,141	4,185	234,902	195,005	
	<u>\$ 8,097,253</u>	<u>\$ 41,413</u>	<u>\$ 41,855</u>	<u>\$ 8,180,521</u>	<u>\$ 7,135,769</u>	

- (a) Expenses – Directly Incurred as per Statement of Operations, excluding evaluation adjustments.
- (b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.
- (c) Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.



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

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Financial Statements  
March 31, 2004**

Auditor's Report

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Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Salary and Benefits Disclosure

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 Calgary Region Community Board and the Minister of Community Development

I have audited the statement of financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2004 and the results of its operations and its cash flows 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Grant from Persons with Developmental Disabilities			
Provincial Board	\$ 102,473	\$ 106,492	\$ 96,663
Previous Year's Refund of Expenditures	-	235	167
Other	-	3	-
	<u>102,473</u>	<u>106,730</u>	<u>96,830</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedule 1)</b>			
<b>Programs</b>			
Community Living Supports	54,398	52,568	47,949
Employment Supports	11,588	9,316	9,568
Community Access Supports	17,721	21,484	19,477
Specialized Community Supports	1,802	1,785	1,746
Direct Operations	780	854	960
Supports to Delivery Systems	16,074	19,532	16,219
Board Governance	110	129	89
	<u>102,473</u>	<u>105,668</u>	<u>96,008</u>
Valuation Adjustments (Schedule 4)	-	236	47
	<u>102,473</u>	<u>105,904</u>	<u>96,055</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 826</u>	<u>\$ 775</u>

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

**Persons with Developmental Disabilities  
 Calgary Region Community Board  
 Statement of Financial Position  
 As at March 31, 2004  
 (thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 5,352	\$ 4,425
Accounts Receivable (Note 3)	4	2
Tangible Capital Assets (Note 7)	194	195
	\$ 5,550	\$ 4,622
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 5,066	\$ 4,964
<b>Net Assets (Liabilities)</b>		
Net Liabilities, Beginning of Year	(342)	(1,117)
Net Operating Results	826	775
Net Assets (Liabilities), End of Year	484	(342)
	\$ 5,550	\$ 4,622

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

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Statement of Cash Flow  
Year ended March 31, 2004  
(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 826	\$ 775
Non-Cash Items		
Valuation Adjustment	236	47
Amortization	65	5
	<u>1,127</u>	<u>827</u>
Increase in Accounts Receivable	(2)	(1)
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	<u>(134)</u>	<u>968</u>
Cash Provided by Operating Transactions	<u>991</u>	<u>1,794</u>
Investing Transactions		
Purchase of Capital Assets	<u>(64)</u>	<u>(200)</u>
Increase in Cash	927	1,594
Cash, Beginning of Year	<u>4,425</u>	<u>2,831</u>
Cash, End of Year	<u>\$ 5,352</u>	<u>\$ 4,425</u>

<sup>(a)</sup> Adjusted for valuation adjustments.

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



**Persons with Developmental Disabilities  
Calgary Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Calgary Region 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 (the Ministry) and for which the Minister of Community Development (the Minister) 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 Persons with Developmental Disabilities Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting**

**Expenses**

Directly Incurred Expenses

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 tangible 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, overtime, time-in-lieu guarantees and indemnities; and
- Employees are assigned to the Board through an arrangement with the Department of Community Development. The cost of salaries, wages and benefits are included in Manpower Expense. Pension costs comprise the cost of employer contributions for current service of employees during the year.

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 the community.

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

- Bow Park Court
- Scenic Bow Legion Group Homes
- Parkmont Achievement Center

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

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

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

Expenses 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.

**Assets**

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

Tangible 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 tangible capital assets is \$5,000.

**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 values of assets held by the Board and its liabilities.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value	
GST Receivable	\$ 4	\$ -	\$ 4	\$ 2
	\$ 4	- \$ -	\$ 4	\$ 2

Accounts receivable are unsecured and non-interest bearing.

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

	2004	2003
Accrued Grants to Individuals	\$ 3,142	\$ 3,100
Employees Accrued Vacation Pay and Manpower Costs	1,524	1,025
Accrued Supplies and Services	400	839
	\$ 5,066	\$ 4,964

**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 material and services.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 7 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Vehicles	3 years	\$ 241	\$ 69	\$ 172	\$ 182
Equipment	15 years	13	1	12	13
Equipment	10 years	10	-	10	-
		<u>\$ 264</u>	<u>\$ 70</u>	<u>\$ 194</u>	<u>\$ 195</u>

**Note 8 Commitments (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Long-term Leases <sup>(a)</sup>	\$ 43	\$ 43
Service Contracts	-	56
	<u>\$ 43</u>	<u>\$ 99</u>

<sup>(a)</sup> 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:

2005	\$ 22
2006	15
2007	6
	<u>\$ 43</u>

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 9 Trusts 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, 2004 trust funds under administration were as follows:

	2004	2003
Client Trust Funds	\$ 78	\$ 83

**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 they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these 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 60 (2003 – 71) individuals that has been included in the Statement of Operations is estimated to be \$1,538 (2003 restated – \$1,602). The total cost for two (2003 – 2) agencies that has been included in the Statement of Operations is estimated to be \$1,056 (2003 – \$1,020).

**Note 11 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 12 Approval of Financial Statements**

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

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Expenses – Directly Incurred Detailed By Object  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)</sup>	\$ 11,298	\$ 10,941	\$ 9,620
Supplies and Services	36,642	48,058	41,828
Grants	54,533	47,639	45,850
Amortization of Tangible Capital Assets	-	65	5
	102,473	106,703	97,303
Provision for Vacation Pay and Overtime Pay	-	236	47
Less Recovery from Support Service Arrangements with Related Parties <sup>(b)</sup>	-	(1,035)	(1,295)
	\$ 102,473	\$ 105,904	\$ 96,055

<sup>(a)</sup> Manpower costs relate to employees assigned to the Board from the Department of Community Development and are not employees of the Board.

<sup>(b)</sup> The Board provides specialized program supports to children who are the responsibility of the Calgary and Area Child and Family Services Authority. Costs incurred for these activities are recovered from the Calgary and Area Child and Family Services Authority.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Budget  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004 Budget	Reallocation From Provincial Board <sup>(a)</sup>	2003-2004 Final Budget
<b>Revenue</b>			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 102,473	\$ 4,019	\$ 106,492
<b>Expenses – Directly Incurred</b>			
Community Living Supports	54,398	(479)	53,919
Employment Supports	11,588	(1,315)	10,273
Community Access Supports	17,721	3,540	21,261
Specialized Community Supports	1,802	306	2,108
Direct Operations	780	419	1,199
Supports to Delivery Systems	16,074	1,562	17,636
Board Governance	110	-	110
	<u>102,473</u>	<u>4,033</u>	<u>106,506</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ (14)</u>
<b>Capital Investments</b>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 70</u>

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.



**Persons with Developmental Disabilities  
Calgary Region Community Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-Cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 21	\$ -	\$ 21	\$ 14
Board Members <sup>(d) (e)</sup>	-	90	-	90	60
Chief Executive Officer <sup>(f)</sup>	102	15	22	139	127
Manager, Individual Supports <sup>(g)</sup>	80	6	17	103	94
Manager, Community Resource Management <sup>(g)</sup>	79	6	17	102	93
Executive Director, Graduated Supports <sup>(g)</sup>	77	5	16	98	87

<sup>(a)</sup> Base Salary includes pensionable base pay.

<sup>(b)</sup> Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include payments for pension, health care, dental and medical coverage, group life insurance, short and long-term disability plans and WCB premiums. They also include any professional membership fees and tuition fees, if any.

<sup>(d)</sup> These amounts represent honoraria payments made to the Chair (occupied by two individuals during the year) and Members of the Board.

<sup>(e)</sup> These positions were occupied by nine individuals during the year.

<sup>(f)</sup> These payments are made to the Chief Executive Officer (occupied by one individual during the year) 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.

<sup>(g)</sup> Executives are assigned to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004		2003			
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others	Valuation Adjustments			
	Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Provision for Vacation Pay <sup>(d)</sup>	Provision for Overtime Pay <sup>(d)</sup>	Total Expenses	Total Expenses
Community Living Supports	\$ 1,195	\$ -	\$ -	\$ -	\$ 53,763	\$ 49,032
Employment Supports	-	-	-	-	9,316	9,568
Community Access Supports	224	-	-	-	21,708	19,627
Specialized Community Supports	-	-	-	-	1,785	1,746
Direct Operations	-	-	-	-	854	960
Supports to Delivery Systems	286	5	59	177	20,059	16,480
Board Governance	-	-	-	-	129	89
	\$ 1,705	\$ 5	\$ 59	\$ 177	\$ 107,614	\$ 97,502

- (a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.
- (b) Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 5.
- (c) Costs shown for Legal Services per Schedule 5.
- (d) Provision for Vacation Pay and Overtime Pay have been allocated based on the actual provision relating to each program.

**Persons with Developmental Disabilities  
Calgary Region Community Board  
Related Party Transactions  
Year ended March 31, 2004  
(thousands of dollars)**

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

The 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 on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Persons with Developmental Disabilities Provincial Board	\$ 106,492	\$ 96,663	\$ -	\$ -
<b>Expenses</b>				
Department of Innovation and Science	\$ -	\$ -	\$ 149	\$ 195
Department of Government Services	-	-	312	313
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 461</u>	<u>\$ 508</u>

At March 31, 2004 accounts payable of the Board include amounts owing of \$72 (2003 – \$68) to the Department of Innovation and Science and \$77 (2003 – \$77) to the Department of Government Services.

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 but are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Department of Infrastructure	\$ -	\$ -	\$ 1,705	\$ 1,440
Department of Justice	-	-	5	7
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,710</u>	<u>\$ 1,447</u>

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



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

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
Central Region Community Board  
Financial Statements  
March 31, 2004**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Salary and Benefits Disclosure

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 Region Community Board and the Minister of Community Development

I have audited the statement of financial position of the Persons with Developmental Disabilities Central Region Community Board as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities Central Region Community Board as at March 31, 2004 and the results of its operations and its cash flows 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
Central Region Community Board  
Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Grant from Persons with Developmental Disabilities			
Provincial Board	\$ 111,966	\$ 113,720	\$ 107,108
Previous Year's Refund of Expenditures	-	40	103
Fee Revenue (Note 2)	675	1,123	1,062
Program Fund Revenue (Note 2)	615	570	596
	<u>113,256</u>	<u>115,453</u>	<u>108,869</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedule 1)</b>			
<b>Programs</b>			
Community Living Supports	65,554	64,225	62,735
Employment Supports	3,601	2,970	2,887
Community Access Supports	12,698	11,948	11,045
Specialized Community Supports	1,818	3,356	2,153
Direct Operations	15,280	14,967	15,490
Supports to Delivery Systems	13,506	16,072	13,309
Board Governance	120	140	138
Program Fund	515	593	569
	<u>113,092</u>	<u>114,271</u>	<u>108,326</u>
Valuation Adjustments (Schedule 4)	-	871	112
	<u>113,092</u>	<u>115,142</u>	<u>108,438</u>
<b>Net Operating Results</b>	<u>\$ 164</u>	<u>\$ 311</u>	<u>\$ 431</u>

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



**Persons with Developmental Disabilities  
Central Region Community Board  
Statement of Financial Position  
As at March 31, 2004  
(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 6,585	\$ 6,163
Accounts Receivable (Note 3)	402	187
Inventory	423	476
Tangible Capital Assets (Note 4)	1,175	1,091
	\$ 8,585	\$ 7,917
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 7,963	\$ 7,606
<b>Net Assets (Liabilities)</b>		
Net Assets (Liabilities), Beginning of Year	311	(120)
Net Operating Results	311	431
Net Assets, End of Year	622	311
	\$ 8,585	\$ 7,917

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

**Persons with Developmental Disabilities  
Central Region Community Board  
Statement of Cash Flow  
Year ended March 31, 2004  
(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 311	\$ 431
Non-Cash Items		
Amortization	274	246
Valuation Adjustments	871	112
	<u>1,456</u>	<u>789</u>
Increase in Accounts Receivable	(214)	(104)
Decrease in Inventory	53	3
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	(515)	206
	<u>780</u>	<u>894</u>
Investing Transactions		
Purchase of Tangible Capital Assets	(358)	(347)
Increase in Cash	422	547
Cash, Beginning of Year	6,163	5,616
Cash, End of Year	<u>\$ 6,585</u>	<u>\$ 6,163</u>

<sup>(a)</sup> Adjusted for valuation adjustment.

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

**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Central Region 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 (the Ministry) and for which the Minister of Community Development (the Minister) 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 Persons with Developmental Disabilities Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

**(b) Basis of Financial Reporting**

**Revenues**

All revenues are reported on the accrual method of accounting.

**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Expenses**

Directly Incurred Expenses

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 also include:

- Amortization of tangible 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, overtime, time in lieu, guarantees and indemnities; and
- Employees are assigned to the Board through an arrangement with the Department of Community Development. The cost of their salaries, wages and benefits are included in Manpower Expense. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Description of Revenues and Expenses Reported on the Statement of Operations

Fee Revenue (thousands of dollars) – Michener Centre and Youngston Home collect fees from certain residents in accordance with the Social Care Facilities Residents Rates Order. Fees in the amount of \$952 were collected during the year (2003 – \$882). In addition, Michener Centre collects fees from external users of the Roland Michener Recreation Centre. Fees in the amount of \$171 were collected during the year (2003 – \$180).

Program Fund Revenue and Expenses – The Board administers funds that are designated by the Provincial Treasurer as regulated. Revenues are generated from and expenses are incurred for the production and sale of goods and the provision of dental services to external users. The funds are used to provide recreational, social and vocational opportunities and dental services to persons with developmental disabilities.

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

**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

Description of Revenues and Expenses Reported on the Statement of Operations (continued)

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 the community.

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

- Michener Center, Red Deer, Alberta
- Youngstown Home, Youngstown, Alberta

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.

Expenses 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.

**Assets**

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

**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the average cost method.

Tangible 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 tangible capital assets is \$5,000.

**Liabilities**

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

**Net Assets**

Net assets represent the difference between the carrying value of assets held by the Board and its Liabilities.

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Trades Receivable	\$ 306	\$ -	\$ 306	\$ 182
Contract Recoveries	90	-	90	-
GST Receivable	6	-	6	5
	<u>\$ 402</u>	<u>\$ -</u>	<u>\$ 402</u>	<u>\$ 187</u>

Accounts receivable are unsecured and non-interest bearing.

**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 4 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004			2003
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer Equipment	5 years	\$ 520	\$ 473	\$ 47	\$ 19
Equipment	5-10 years	3,316	2,188	1,128	1,072
		<u>\$ 3,836</u>	<u>\$ 2,661</u>	<u>\$ 1,175</u>	<u>\$ 1,091</u>

**Note 5 Accounts Payable and Accrued Liabilities (thousands of dollars)**

	2004	2003
Accrued Grants to Individuals	\$ 1,267	\$ 1,566
Employees Accrued Vacation Pay and Manpower Costs	5,752	4,159
Accrued Supplies and Services	944	1,881
	<u>\$ 7,963</u>	<u>\$ 7,606</u>

**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.

**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 8 Commitments (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Service Contracts <sup>(a)</sup>	\$ 4,036	\$ 6,842
Long-term Leases <sup>(b)</sup>	361	366
	\$ 4,397	\$ 7,208

<sup>(a)</sup> Actual amounts are dependent on the usage of service.

<sup>(b)</sup> The Board leases certain equipment under operating leases that expire on various dates. The aggregate amount payable for the unexpired terms of these leases are as follows:

2005	\$	161
2006		126
2007		68
2008		6
		\$ 361

**Note 9 Trust Funds 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, 2004 trust funds under administration were as follows:

	2004	2003
Client Trust Funds	\$ 213	\$ 235



**Persons with Developmental Disabilities  
Central Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 were receiving services prior to the passing of the *Act* but who no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these 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 9 individuals (2003 – 9 individuals) that has been included in the Statement of Operations is estimated to be \$561 (2003 – \$594).

**Note 11 Services Provided by Regional Health Authorities (thousands of dollars)**

The Board incurred supplies and services of \$353 (2003 – \$352) for contract services rendered by the David Thompson Health Region. These transactions were recorded at the amount of consideration agreed upon between the parties.

**Note 12 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 13 Approval of Financial Statements**

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

**Persons with Developmental Disabilities  
Central Region Community Board  
Expenses – Directly Incurred Detailed By Object  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)</sup>	\$ 42,553	\$ 42,105	\$ 40,000
Supplies and Services	48,330	59,236	51,363
Grants	21,913	12,656	16,717
Amortization of Tangible Capital Assets	296	274	246
	<u>\$ 113,092</u>	<u>\$ 114,271</u>	<u>\$ 108,326</u>

<sup>(a)</sup> Manpower costs relate to employees assigned to the Board from the Ministry of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities  
Central Region Community Board  
Budget  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004 Budget	Reallocation from Provincial Board <sup>(a)</sup>	2003-2004 Final Budget
<b>Revenue</b>			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 111,966	\$ 1,754	\$ 113,720
Fee Revenue	675	-	675
Program Fund Revenue	615	-	615
	<u>\$ 113,256</u>	<u>\$ 1,754</u>	<u>\$ 115,010</u>
<b>Expenses – Directly Incurred</b>			
Community Living Supports	65,554	156	65,710
Employment Supports	3,601	75	3,676
Community Access Supports	12,698	442	13,140
Specialized Community Supports	1,818	1,567	3,385
Direct Operations	15,280	15	15,295
Supports to Delivery Systems	13,506	(134)	13,372
Board Governance	120	45	165
Program Fund	515	49	564
	<u>113,092</u>	<u>2,215</u>	<u>115,307</u>
<b>Net Operating Results</b>	<u>\$ 164</u>	<u>\$ (461)</u>	<u>\$ (297)</u>

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.

**Persons with Developmental Disabilities  
Central Region Community Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 35	\$ -	\$ 35	\$ 29
Board Members <sup>(e)</sup>	-	66	-	66	71
Chief Executive Officer <sup>(f)</sup>	107	15	23	145	131
Chief Executive Officer Michener	-	-	-	-	35
Chief Operating Officer <sup>(g)</sup>	87	8	19	114	69
Specialty Services Manager <sup>(g)</sup>	79	8	17	104	99
Chief Financial Officer <sup>(g)</sup>	72	8	15	95	88
Manager, Corporate Development <sup>(g)</sup>	71	8	15	94	88
Director, Community Resources <sup>(g)</sup>	68	8	14	90	92

(a) Base Salary includes pensionable base pay.

(b) Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

(c) Other non-cash benefits include payments for pension, health care, dental and medical coverage, group life insurance, short and long term disability plans and WCB premiums. They also include any professional membership fees and tuition fees, if any.

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

(e) There are 9 board member positions that were occupied for varying lengths of time during the year. These amounts represent honoraria payments made to the 9 board members.

(f) These payments are made to the Chief Executive Officer (occupied by one individual during the year) 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.

(g) Executive staff are assigned to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities  
Central Region Community Board  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004				2003			
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Provision for Vacation Pay <sup>(d)</sup>	Provision for Overtime Pay <sup>(d)</sup>	Total Expenses	Total Expenses	
Community Living Supports	\$ 64,225	\$ 3,882	\$ 7	\$ 93	\$ 500	\$ 68,707	\$ 66,291	
Employment Supports	2,970	-	-	-	-	2,970	2,887	
Community Access Supports	11,948	675	-	11	3	12,637	11,644	
Specialized community Supports	3,356	228	-	11	57	3,652	2,322	
Direct Operations	14,967	1,078	-	30	91	16,166	16,573	
Supports to Delivery Systems	16,072	455	4	49	26	16,606	13,976	
Board Governance	140	-	-	-	-	140	138	
Program Fund	593	-	-	-	-	593	569	
	<u>\$ 114,271</u>	<u>\$ 6,318</u>	<u>\$ 11</u>	<u>\$ 194</u>	<u>\$ 677</u>	<u>\$ 121,471</u>	<u>\$ 114,400</u>	

(a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

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

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

(d) Provision for Vacation Pay and Overtime Pay have been allocated based on actual provision relating to each program.

**Persons with Developmental Disabilities  
Central Region Community Board  
Related Party Transactions  
Year ended March 31, 2004  
(thousands of dollars)**

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

The 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 on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Persons with Developmental Disabilities				
Provincial Board	\$ 113,720	\$ 107,108	\$ -	\$ -
<b>Expenses</b>				
Department of Innovation and Science	\$ -	\$ -	\$ 161	\$ 219
Department of Government Services	-	-	852	814
Department of Infrastructure	-	-	12	17
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,025</u>	<u>\$ 1,050</u>
<b>Accounts Receivable</b>				
Persons with Developmental Disabilities				
Provincial Board	\$ -	\$ 1	\$ -	\$ -
<b>Accounts Payable</b>				
Department of Innovation and Science	\$ -	\$ -	\$ 22	\$ -
Department of Government Services	-	-	196	419
Department of Community Development	-	9	-	-
	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 218</u>	<u>\$ 419</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 but are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Department of Infrastructure	\$ -	\$ -	\$ 6,318	\$ 5,947
Department of Justice	-	-	11	15
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,329</u>	<u>\$ 5,962</u>

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

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Financial Statements  
March 31, 2004**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Salary and Benefits Disclosure

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 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, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities Edmonton Region Community Board as at March 31, 2004 and the results of its operations and its cash flows 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Grant from Persons with Developmental Disabilities			
Provincial Board	\$ 122,908	\$ 126,189	\$ 116,105
Previous Year's Refund of Expenditures	-	352	228
Other	-	90	3
	<u>122,908</u>	<u>126,631</u>	<u>116,336</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedule 1)</b>			
<b>Programs</b>			
Community Living Supports	80,456	72,478	67,522
Employment Supports	5,948	6,503	5,541
Community Access Supports	16,640	14,061	15,110
Specialized Community Supports	835	11,051	9,968
Direct Operations	1,490	1,452	1,301
Supports to Delivery Systems	17,381	20,505	16,468
Board Governance	160	108	126
	<u>122,910</u>	<u>126,158</u>	<u>116,036</u>
Valuation Adjustments (Schedule 4)	-	23	(4)
	<u>122,910</u>	<u>126,181</u>	<u>116,032</u>
<b>Net Operating Results</b>	<u>\$ (2)</u>	<u>\$ 450</u>	<u>\$ 304</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, 2004  
(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 5,831	\$ 4,374
Accounts Receivable (Note 3)	358	234
Tangible Capital Assets (Note 7)	9	10
	\$ 6,198	\$ 4,618
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 6,520	\$ 5,390
<b>Net Liabilities</b>		
Net Liabilities, Beginning of Year	(772)	(1,076)
Net Operating Results	450	304
Net Liabilities, End of Year	(322)	(772)
	\$ 6,198	\$ 4,618

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

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Statement of Cash Flow  
Year ended March 31, 2004  
(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 450	\$ 304
Non-Cash Items		
Amortization	2	2
Valuation Adjustments	23	(4)
	475	302
Increase in Accounts Receivable	(124)	(120)
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	1,106	(111)
Cash Provided by Operating Transactions	1,457	71
Cash, Beginning of Year	4,374	4,303
Cash, End of Year	<u>\$ 5,831</u>	<u>\$ 4,374</u>

<sup>(a)</sup> 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  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Edmonton Region 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 (the Ministry) and for which the Minister of Community Development (the Minister) 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 Persons with Developmental Disabilities 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  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting**

**Expenses**

Directly Incurred Expenses

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 also include:

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

Description of 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.

Direct Operations – other expenses incurred to operate the Eric Cormack Center and 11 community homes in the greater Edmonton area.

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

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

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

Expenses 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.

**Assets**

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

Tangible 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 tangible capital assets is \$5,000.

**Liabilities**

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

**Net 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  
Year ended March 31, 2004**

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Individual Funding Recovery	\$ -	\$ -	\$ -	\$ 20
Contract Recovery	302	-	302	212
GST Receivable	4	-	4	2
Other	52	-	52	-
	\$ 358	\$ -	\$ 358	\$ 234

Accounts receivable are unsecured and non-interest bearing.

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

	2004	2003
Accrued Grants to Individuals	\$ 4,228	\$ 3,737
Employees Accrued Vacation Pay and Manpower Costs	1,531	1,230
Accrued Supplies and Services	761	423
	\$ 6,520	\$ 5,390

**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  
Year ended March 31, 2004**

**Note 7 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 years	\$ 17	\$ 8	\$ 9	\$ 10

**Note 8 Commitments (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Service Contracts <sup>(a)</sup>	\$ 4,307	\$ 5,516
Long-term Leases <sup>(b)</sup>	3	3
	<u>\$ 4,310</u>	<u>\$ 5,519</u>

<sup>(a)</sup> Actual amounts are dependent on the usage of service.

<sup>(b)</sup> 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:

2005	\$ 1
2006	1
2007	1
	<u>\$ 3</u>

**Note 9 Trust Funds 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, 2004 trust funds under administration were as follows:

	2004	2003
Client Trust Funds	\$ 62	\$ 56
Donations to Clients	2	3
	<u>\$ 64</u>	<u>\$ 59</u>

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these 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 (2003 – 16) individuals that have been included in the Statement of Operations is estimated to be \$974 (2003 – \$1,000). The total cost for 5 (2003 – 9) agencies that has been included in the Statement of Operations is estimated to be \$601 (2003 – \$1,412).

**Note 11 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 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**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)</sup>	\$ 14,532	\$ 14,013	\$ 13,392
Supplies and Services	50,070	66,788	56,899
Grants	58,306	45,355	45,743
Amortization of Tangible Capital Assets	2	2	2
	\$ 122,910	\$ 126,158	\$ 116,036

<sup>(a)</sup> Manpower costs relate to employees who are assigned 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  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004 Budget	Transfer of Responsibility <sup>(a)</sup>	Reallocation From Provincial Board <sup>(b)</sup>	2003-2004 Final Budget
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 122,908	\$ (341)	\$ 3,622	\$ 126,189
Expenses-Directly Incurred				
Community Living Supports	80,456	(341)	(5,347)	74,768
Employment Supports	5,948	-	838	6,786
Community Access Supports	16,640	-	(2,143)	14,497
Specialized Community Supports	835	-	10,733	11,568
Direct Operations	1,490	-	92	1,582
Supports to Delivery Systems	17,381	-	(392)	16,989
Board Governance	160	-	(40)	120
	<u>122,910</u>	<u>(341)</u>	<u>3,741</u>	<u>126,310</u>
Net Operating Results	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ (119)</u>	<u>\$ (121)</u>

<sup>(a)</sup> Contracts were transferred to the Department of Community Development effective July 1, 2003.

<sup>(b)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 23	\$ -	\$ 23	\$ 30
Board Members <sup>(e)</sup>	-	54	-	54	60
Chief Executive Officer <sup>(f)</sup>	106	16	22	144	126
Assistant Chief Executive Officer <sup>(g)</sup>	81	6	17	104	99
Executive Director, Residential Services <sup>(g)</sup>	80	5	16	101	96

<sup>(a)</sup> Base Salary includes regular base pay.

<sup>(b)</sup> Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include payments for pension, health care, dental coverage, group life insurance, short and long term disability plans and WCB premiums. They also include professional membership fees and tuition fees, if any.

<sup>(d)</sup> These amounts represent honoraria payments made to the chair (occupied by one individual during the year) of the Board.

<sup>(e)</sup> These amounts represent honoraria payments made to the members of the Board. These positions were occupied by six individuals during the year.

<sup>(f)</sup> These payments are made to the Chief Executive Officer (occupied by one individual during the year) 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.

<sup>(g)</sup> These positions are assigned to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004			2003	
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others Accommodation Costs <sup>(b)</sup> Legal Services <sup>(c)</sup>	Valuation Adjustments Provision for Vacation Pay <sup>(d)</sup>	Total Expenses	Total Expenses
Community Living Supports	\$ 72,478	\$ 1,213	\$ -	\$ (4)	\$ 73,687
Employment Supports	6,503	-	-	-	6,503
Community Access Supports	14,061	-	-	-	14,061
Specialized Community Supports	11,051	-	-	-	11,051
Direct Operations	1,452	-	-	-	1,452
Supports to Delivery Systems	20,505	371	13	27	20,916
Board Governance	108	-	-	-	108
	<u>\$ 126,158</u>	<u>\$ 1,584</u>	<u>\$ 13</u>	<u>\$ 23</u>	<u>\$ 127,778</u>
					<u>\$ 117,129</u>

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

<sup>(b)</sup> Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 5.

<sup>(c)</sup> Costs shown for Legal Services per Schedule 5.

<sup>(d)</sup> Provision for Vacation Pay has been allocated based on the actual provision relating to each program.

**Persons with Developmental Disabilities  
Edmonton Region Community Board  
Related Party Transactions  
Year ended March 31, 2004  
(thousands of dollars)**

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

The 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 on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 126,189	\$ 116,105	\$ -	\$ -
Expenses				
Department of Innovation and Science	\$ -	\$ -	\$ 178	\$ 235
Department of Government Services	-	-	321	410
Department of Human Resources and Employment	-	-	59	-
Edmonton and Area CFSA	-	-	63	102
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 621</u>	<u>\$ 747</u>

At March 31, 2004, accounts payable of the Board include amounts owing of \$86 (2003 – \$87) to the Department of Innovation and Science, \$72 to the Department of Government Services (2003 – \$100) and \$63 to the Edmonton and Area CFSA (2003 – \$nil).

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	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 1,584	\$ 1,092
Department of Justice	-	-	13	5
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,597</u>	<u>\$ 1,097</u>





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

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Financial Statements  
March 31, 2004**

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## Auditor's Report

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Northeast Region Community Board as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities Northeast Region Community Board as at March 31, 2004 and the results of its operations and its cash flows 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
 Northeast Region Community Board  
 Statement of Operations  
 Year ended March 31, 2004  
 (thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 20,697	\$ 21,536	\$ 19,399
Previous Year's Refund of Expenditures	-	2	40
	<u>20,697</u>	<u>21,538</u>	<u>19,439</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedule 1)</b>			
<b>Programs</b>			
Community Living Supports	10,879	10,255	9,514
Employment Supports	1,729	1,751	1,584
Community Access Supports	3,388	3,583	3,250
Specialized Community Supports	434	460	398
Supports to Delivery Systems	4,136	5,008	4,199
Board Governance	131	115	126
	<u>20,697</u>	<u>21,172</u>	<u>19,071</u>
Valuation Adjustments (Schedule 4)	-	51	(14)
	<u>20,697</u>	<u>21,223</u>	<u>19,057</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 315</u>	<u>\$ 382</u>

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

**Persons with Developmental Disabilities  
 Northeast Region Community Board  
 Statement of Financial Position  
 As at March 31, 2004  
 (thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 3,017	\$ 2,541
Accounts Receivable (Note 3)	2	7
Advances	-	5
	\$ 3,019	\$ 2,553
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 1,146	\$ 995
<b>Net Assets</b>		
Net Assets, Beginning of Year	1,558	1,176
Net Operating Results	315	382
Net Assets, End of Year	1,873	1,558
	\$ 3,019	\$ 2,553

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

**Persons with Developmental Disabilities  
 Northeast Region Community Board  
 Statement of Cash Flow  
 Year ended March 31, 2004  
 (thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 315	\$ 382
Non-Cash Items		
Valuation Adjustments	51	(14)
	366	368
Decrease in Accounts Receivable	5	7
Decrease in Advances	5	-
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	100	141
	476	516
Cash, Beginning of Year	2,541	2,025
Cash, End of Year	\$ 3,017	\$ 2,541

<sup>(a)</sup> Adjusted for valuation adjustment.

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

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Northeast Region 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 (the Ministry) and for which the Minister of Community Development (the Minister) 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 Persons with Developmental Disabilities Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting**

**Expenses**

Directly Incurred Expenses

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 also 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
- Employees are assigned to the board through an arrangement with the Department of Community Development. The cost of their salaries, wages and benefits are included in Manpower Expense. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Description of 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 the community.



**Persons with Developmental Disabilities  
Northeast Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

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

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

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

Expenses 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.

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

**Liabilities**

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

**Net Assets**

Net assets represent the difference between the carrying value of assets held by the board and its liabilities.

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
GST Receivable	\$ 2	\$ -	\$ 2	\$ 7

Accounts receivable are unsecured and non-interest bearing.

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

	2004	2003
Accrued Grants to Individuals	\$ 768	\$ 726
Employees Accrued Vacation Pay and Manpower Costs	201	94
Accrued Supplies and Services	177	175
	\$ 1,146	\$ 995

**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  
Northeast Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 7 Commitments (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Service Contracts <sup>(a)</sup>	\$ 8,369	\$ -
Long-term Leases <sup>(b)</sup>	32	34
	\$ 8,401	\$ 34

<sup>(a)</sup> Actual amounts are dependent on the usage of service. The aggregate amount payable for service contracts are as follows:

2005	\$ 7,545
2006	824
	\$ 8,369

<sup>(b)</sup> 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:

2005	\$ 16
2006	10
2007	6
	\$ 32

**Note 8 Grandfathered Individuals (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 were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these individuals and agencies until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related these grandfathered individuals and agencies do not comply with the *Act*.

The total cost of these services for 11 (2003 – 12) individuals that has been included in the Statement of Operations is estimated to be \$338 (2003 – \$195).

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 9 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 10 Approval of Financial Statements**

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

**Persons with Developmental Disabilities  
 Northeast Region Community Board  
 Expenses – Directly Incurred Detailed By Object  
 Year ended March 31, 2004  
 (thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)</sup>	\$ 1,367	\$ 1,300	\$ 978
Supplies and Services	8,665	10,530	8,911
Grants	10,665	9,342	9,182
	<u>\$ 20,697</u>	<u>\$ 21,172</u>	<u>\$ 19,071</u>

<sup>(a)</sup> Manpower costs relate to employees assigned to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Budget  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004 Budget	Reallocation From Provincial Board <sup>(a)</sup>	2003-2004 Final Budget
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 20,697	\$ 839	\$ 21,536
Expenses – Directly Incurred			
Community Living Supports	10,879	(319)	10,560
Employment Supports	1,729	96	1,825
Community Access Supports	3,388	245	3,633
Specialized Community Supports	434	18	452
Supports to Delivery Systems	4,136	781	4,917
Board Governance	131	26	157
	<u>20,697</u>	<u>847</u>	<u>21,544</u>
Net Operating Results	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.

**Persons with Developmental Disabilities  
Northeast Region Community Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-Cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 20	\$ -	\$ 20	\$ 22
Board Members <sup>(d)(e)</sup>	-	46	-	46	55
Chief Executive Officer <sup>(g)</sup>	93	19	20	132	118
Manager, Finance and Monitoring <sup>(h)</sup>	37	5	9	51	-

<sup>(a)</sup> Base Salary includes pensionable base pay.

<sup>(b)</sup> Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include payments for pension, health care, dental and group life insurance, short and long term disability plans and WCB premiums. They also include any professional membership fees and tuition fees, if any.

<sup>(d)</sup> These amounts represent honoraria payments made to the Chair (occupied by one individual during the year) and Members of the Board.

<sup>(e)</sup> These positions were occupied by nine individuals during the year.

<sup>(f)</sup> Executives are assigned to the Board from the Department of Community Development and are not employees of the Board.

<sup>(g)</sup> These payments are made to the Chief Executive Officer (occupied by one individual during the year) 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.

<sup>(h)</sup> Payments since October 1, 2003 when this individual transferred from Government Services to the Department of Community Development. Previously the functions of this position were performed by a number of staff through a contract with Government Services.

**Persons with Developmental Disabilities  
 Northeast Region Community Board  
 Allocated Costs  
 Year ended March 31, 2004  
 (thousands of dollars)**

Program	2004				2003	
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others		Valuation Adjustments Provision for Vacation Pay <sup>(d)</sup>	Total Expenses	Total Expenses
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>			
Community Living Supports	\$ 10,255	\$ -	-	\$ -	\$ 10,255	\$ 9,514
Employment Supports	1,751	-	-	-	1,751	1,584
Community Access Supports	3,583	-	-	-	3,583	3,250
Specialized Community Supports	460	-	-	-	460	398
Supports to Delivery Systems	5,008	86	1	51	5,146	4,264
Board Governance	115	-	-	-	115	126
	<u>\$ 21,172</u>	<u>\$ 86</u>	<u>\$ 1</u>	<u>\$ 51</u>	<u>\$ 21,310</u>	<u>\$ 19,136</u>

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

<sup>(b)</sup> Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 5.

<sup>(c)</sup> Costs shown for Legal Services per Schedule 5.

<sup>(d)</sup> Provision for Vacation Pay and Overtime Pay has been allocated based on the actual provision relating to each program.



**Persons with Developmental Disabilities  
Northeast Region Community Board  
Related Party Transactions  
Year ended March 31, 2004  
(thousands of dollars)**

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

The Board and the employees seconded to it from the Ministry 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 on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Persons with Developmental Disabilities				
Provincial Board	\$ 21,536	\$ 19,399	\$ -	\$ -
Expenses				
Department of Innovation and Science	\$ -	\$ -	\$ 30	\$ 39
Department of Government Services	-	-	192	300
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 339</u>

At March 31, 2004, accounts payable of the Board included amounts owing of \$14 (2003 – \$8) to the Department of Innovation and Science, \$2 (2003 – \$2) to the Department of Finance and \$16 (2003 – \$73) to the Department of Government Services.

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 but are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 86	\$ 76
Department of Justice	-	-	1	3
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 79</u>



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

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Financial Statements  
March 31, 2004**

Auditor's Report

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Schedule 2 – Budget

Schedule 3 – Salary and Benefits Disclosure

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  
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, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities Northwest Region Community Board as at March 31, 2004 and the results of its operations and its cash flows 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenue</b>			
Grant from Persons with Developmental Disabilities			
Provincial Board	\$ 15,639	\$ 16,232	\$ 15,048
Previous Year's Refund of Expenditures	-	7	5
	<u>15,639</u>	<u>16,239</u>	<u>15,053</u>
<b>Expenses – Directly Incurred (Note 2b and Schedule 1)</b>			
<b>Programs</b>			
Community Living Supports	9,008	8,217	8,163
Employment Supports	1,194	1,165	1,129
Community Access Supports	1,783	2,353	1,947
Specialized Community Supports	268	435	344
Supports to Delivery Systems	3,252	3,596	3,295
Board Governance	134	149	115
	<u>15,639</u>	<u>15,915</u>	<u>14,993</u>
Valuation Adjustments (Schedule 4)	-	(3)	7
	<u>15,639</u>	<u>15,912</u>	<u>15,000</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 327</u>	<u>\$ 53</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, 2004  
(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 1,208	\$ 807
Accounts Receivable (Note 3)	2	8
Tangible Capital Assets (Note 7)	16	-
	\$ 1,226	\$ 815
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 878	\$ 794
<b>Net Assets (Liabilities)</b>		
Net Assets (Liabilities), Beginning of Year	21	(32)
Net Operating Results	327	53
Net Assets, End of Year	348	21
	\$ 1,226	\$ 815

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

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Statement of Cash Flow  
Year ended March 31, 2004  
(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 327	\$ 53
Non-Cash Items		
Valuation Adjustments	(3)	7
	324	60
Decrease (Increase) in Accounts Receivable	6	(7)
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	87	27
	417	80
Cash Provided by Operating Transactions		
Investing Transactions		
Purchase of Tangible Capital Assets	(16)	-
	401	80
Increase in Cash		
Cash, Beginning of Year	807	727
Cash, End of Year	\$ 1,208	\$ 807

<sup>(a)</sup> Adjusted for valuation adjustment.

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



**Persons with Developmental Disabilities  
Northwest Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Northwest Region 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 (the Ministry) and for which the Minister of Community Development (the Minister) 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 Persons with Developmental Disabilities Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

**(b) Basis of Financial Reporting**

**Expenses**

Directly Incurred Expenses

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 also include:

- Amortization of tangible capital assets;

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Expenses (continued)**

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

Description of 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.

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.

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Expenses (continued)**

Expenses 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.

**Assets**

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

Tangible 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 tangible capital assets is \$5,000.

**Liabilities**

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

**Net Assets (Liabilities)**

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

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003		
Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value		
Accrued C.E.R. Receivable	\$ -	\$ -	\$ -	\$ 6	
GST Receivable	2	-	2	2	
	\$ 2	\$ -	\$ 2	\$ 8	

Accounts receivable are unsecured and non-interest bearing.

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

	2004	2003
Accrued Grants to Individuals	\$ 655	\$ 604
Employees Accrued Vacation Pay and Manpower Costs	145	119
Accrued Supplies and Services	78	71
	\$ 878	\$ 794

**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.

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 6 Voluntary Contributions**

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

**Note 7 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004		2003
		Cost	Accumulated Amortization	Net Book Value
Leasehold Improvements	2 years	\$ 16	\$ -	\$ 16
				\$ -

**Note 8 Commitments (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Long-term Leases <sup>(a)</sup>	\$ 24	\$ 55

<sup>(a)</sup> 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:

2005	\$ 14
2006	10
	<u>\$ 24</u>

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 9 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 were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these 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 5 (2003 – 5) individuals that has been included in the Statement of Operations is estimated to be \$26 (2003 – \$40).

**Note 10 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 11 Approval of Financial Statements**

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

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Expenses – Directly Incurred Detailed By Object  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)</sup>	\$ 1,035	\$ 1,163	\$ 1,049
Supplies and Services	6,395	7,114	6,254
Grants	8,209	7,638	7,690
	\$ 15,639	\$ 15,915	\$ 14,993

<sup>(a)</sup> Manpower costs relate to employees assigned 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  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004 Budget	Reallocation From Provincial Board <sup>(a)</sup>	2003-2004 Final Budget
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 15,639	\$ 593	\$ 16,232
Expenses – Directly Incurred			
Community Living Supports	9,008	(508)	8,500
Employment Supports	1,194	14	1,208
Community Access Supports	1,783	592	2,375
Specialized Community Supports	268	207	475
Supports to Delivery Systems	3,252	270	3,522
Board Governance	134	-	134
	<u>15,639</u>	<u>575</u>	<u>16,214</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18</u>
Capital Expenditures	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 25</u>

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.



**Persons with Developmental Disabilities  
Northwest Region Community Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 23	\$ -	\$ 23	\$ 25
Board Members <sup>(e)</sup>	-	63	-	63	49
Chief Executive Officer <sup>(f)</sup>	105	12	17	134	113
Community Resource Manager <sup>(g)(h)</sup>	71	2	12	85	87
Finance Manager <sup>(g)</sup>	57	4	13	74	68

<sup>(a)</sup> Base Salary includes pensionable base pay.

<sup>(b)</sup> Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include payments for pension, health care, dental and medical coverage, group life insurance, short and long term disability plans and WCB premiums. They also include any professional membership fees and tuition fees, if any.

<sup>(d)</sup> These amounts represent honoraria payments made to the Chair (occupied by one individual during the year).

<sup>(e)</sup> These positions were occupied by eight individuals during the year.

<sup>(f)</sup> 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 Chief Executive Officer is assigned to the Board under an arrangement with the Department of Community Development.

<sup>(g)</sup> Executives are assigned to the Board by the Department of Community Development and are not employees of the Board.

<sup>(h)</sup> The position of Community Resource Manager was occupied by three individuals during the year.

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004		2003		
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Valuation Adjustments Provision for Vacation Pay <sup>(d)</sup>	Total Expenses
Community Living Supports	\$ 8,217	\$ -	-	\$ -	\$ 8,217
Employment Supports	1,165	-	-	-	1,165
Community Access Supports	2,353	-	-	-	2,353
Specialized Community Supports	435	-	-	-	435
Supports to Delivery Systems	3,596	83	5	(3)	3,681
Board Governance	149	-	-	-	149
	<u>\$ 15,915</u>	<u>\$ 83</u>	<u>\$ 5</u>	<u>\$ (3)</u>	<u>\$ 16,000</u>
					<u>\$ 15,092</u>

- <sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.
- <sup>(b)</sup> Costs shown for Accommodation (including grants in lieu of taxes) per Schedule 5.
- <sup>(c)</sup> Costs shown for Legal Services per Schedule 5.
- <sup>(d)</sup> Provision for Vacation Pay has been allocated based on the actual provision relating to each program.

**Persons with Developmental Disabilities  
Northwest Region Community Board  
Related Party Transactions  
Year ended March 31, 2004  
(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 on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Persons with Developmental Disabilities Provincial Board	\$ 16,232	\$ 15,048	\$ -	\$ -
<b>Expenses</b>				
Department of Innovation and Science	\$ -	\$ -	\$ 23	\$ 30
Department of Government Services	-	-	172	144
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195</u>	<u>\$ 174</u>

At March 31, 2004, accounts payable of the Board included amounts owing of \$11 (2003 – \$8) to the Department of Innovation and Science and \$33 (2003 – \$39) to the Department of Government Services.

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	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Department of Infrastructure	\$ -	\$ -	\$ 83	\$ 89
Department of Justice	-	-	5	4
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88</u>	<u>\$ 93</u>



# **Persons with Developmental Disabilities Provincial Board**

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
Provincial Board  
Financial Statements  
March 31, 2004**

Auditor's Report

Statement of Operations

Statement of Changes in Net Assets

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Salary and Benefits Disclosure

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, 2004 and the statements of operations, changes in net assets, and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities Provincial Board as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original Signed by Fred J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
Provincial Board  
Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenue</b>			
Grant from Department of Community Development	\$ 441,037	\$ 440,696	\$ 404,227
Previous Year's Refund of Expenditures	500	65	82
Interest Income	-	289	180
	<u>441,537</u>	<u>441,050</u>	<u>404,489</u>
<b>Expenses – Directly Incurred (Note 2b and Schedule 1)</b>			
<b>Programs</b>			
Board Governance	148	173	159
Supports to Delivery System	21,277	7,008	5,577
<b>Grants to Persons with Developmental Disabilities</b>			
Community Boards:			
Northwest Region Community Board	15,639	16,232	15,048
Northeast Region Community Board	20,697	21,536	19,399
Edmonton Region Community Board	122,908	126,189	116,105
Central Region Community Board	111,966	113,720	107,108
Calgary Region Community Board	102,473	106,492	96,663
South Region Community Board	47,111	48,134	44,456
	<u>442,219</u>	<u>439,484</u>	<u>404,515</u>
Valuation Adjustments (Schedule 4)	-	(12)	173
	<u>442,219</u>	<u>439,472</u>	<u>404,688</u>
<b>Net Operating Results</b>	<u>\$ (682)</u>	<u>\$ 1,578</u>	<u>\$ (199)</u>

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



**Persons with Developmental Disabilities  
Provincial Board  
Statement of Changes in Net Assets  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003		
	Restricted	Unrestricted	Total	Restricted	Unrestricted	Total
Net Assets, Opening Balance	\$ 2,502	\$ 2,788	\$ 5,290	\$ 2,502	\$ 2,987	\$ 5,489
Operating Income	-	1,578	1,578	-	(199)	(199)
Net Assets, Closing Balance	<u>\$ 2,502</u>	<u>\$ 4,366</u>	<u>\$ 6,868</u>	<u>\$ 2,502</u>	<u>\$ 2,788</u>	<u>\$ 5,290</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, 2004  
(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 4,829	\$ 3,387
Accounts Receivable (Note 3)	40	39
Long Term Investments (Note 8)	3,168	2,879
Tangible Capital Assets (Note 7)	71	135
	\$ 8,108	\$ 6,440
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 1,240	\$ 1,150
<b>Net Assets</b>		
Net Assets, Beginning of Year	5,290	5,489
Net Operating Results	1,578	(199)
Net Assets at End of Year	6,868	5,290
	\$ 8,108	\$ 6,440

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

**Persons with Developmental Disabilities  
Provincial Board  
Statement of Cash Flow  
Year ended March 31, 2004  
(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 1,578	\$ (199)
Non Cash Items		
Amortization	64	65
Valuation Adjustments	(12)	173
	<u>1,630</u>	<u>39</u>
Decrease (Increase) in Accounts Receivable	(1)	603
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	102	(682)
	<u>1,731</u>	<u>(40)</u>
Investing Transactions		
Investment in Bond Fund	(289)	(176)
Increase (Decrease) in Cash	1,442	(216)
Cash, Beginning of Year	<u>3,387</u>	<u>3,603</u>
Cash, End of Year	<u>\$ 4,829</u>	<u>\$ 3,387</u>

<sup>(a)</sup> 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  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Persons with Developmental Disabilities Provincial Board (the Board) is a corporation that was established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

The Board reports to the Ministry of Community Development. Through advocacy and service, the Board helps adults with developmental disabilities to live as independently as possible within the community.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

These financial statements are prepared in accordance with the following accounting policies that have been established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

**(a) Reporting Entity**

The reporting entity is the Board, which is part of the Ministry of Community Development (the Ministry), and for which the Minister of Community Development (the Minister) is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

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

**(b) Basis of Financial Reporting**

**Expenses**

Directly Incurred Expenses

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 also include:

- Amortization of tangible 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

**Persons with Developmental Disabilities  
Provincial Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Expenses (continued)**

Directly Incurred Expenses (continued)

management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities; and

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

Description of Program Expenses Reported on the Statement of Operations

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

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

Expenses 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.

**Assets**

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

Tangible 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 tangible capital assets is \$5,000.

**Persons with Developmental Disabilities  
Provincial Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Liabilities**

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

**Net Assets**

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

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
GST Receivable	\$ 1	\$ -	\$ 1	\$ -
Investment Income	38	-	38	39
Other	1	-	1	-
	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 39</u>

Accounts receivable are unsecured and non-interest bearing.

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

	2004	2003
Employees Accrued Vacation Pay and Manpower Costs	\$ 475	\$ 485
Accrued Supplies and Services	765	665
	<u>\$ 1,240</u>	<u>\$ 1,150</u>

**Persons with Developmental Disabilities  
Provincial Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**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 Tangible Capital Assets (thousands of dollars)**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	5-10 years	\$ 1,227	\$ 1,227	\$ 20	\$ 23
Computer hardware and software	5-7 years	969	918	51	112
Other	3 years	39	39	-	-
		<u>\$ 2,235</u>	<u>\$ 2,164</u>	<u>\$ 71</u>	<u>\$ 135</u>

**Note 8 Long Term Investments (thousands of dollars)**

	2004	2003
Bond Fund		
Restricted	\$ 2,502	\$ 2,502
Unrestricted	666	377
	<u>\$ 3,168</u>	<u>\$ 2,879</u>

The market value at March 31, 2004 is \$3,311 (2003 – \$2,992).

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

**Persons with Developmental Disabilities  
Provincial Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 9 Commitments (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Service Contracts <sup>(a)</sup>	\$ 389	\$ -

<sup>(a)</sup> The actual amounts are dependent on the usage of service.

**Note 10 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 11 Approval of Financial Statements**

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



**Persons with Developmental Disabilities  
Provincial Board  
Expenses – Directly Incurred Detailed By Object  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)(b)</sup>	\$ 6,388	\$ 2,420	\$ 2,085
Supplies and Services <sup>(b)</sup>	7,871	4,681	3,436
Grants <sup>(b)</sup>	427,278	432,319	398,929
Amortization of Tangible Capital Assets	80	64	65
Financial Transactions and Other	602	-	-
	<u>\$ 442,219</u>	<u>\$ 439,484</u>	<u>\$ 404,515</u>

<sup>(a)</sup> Manpower costs relate to employees assigned to the Board from the Department of Community Development and are not employees of the Board.

<sup>(b)</sup> Certain budgeted costs have been reclassified during the year to grants for the purpose of allocating resources to the Persons with Developmental Disabilities Community Boards.

**Persons with Developmental Disabilities  
Provincial Board  
Budget  
Year ended March 31, 2004  
(thousands of dollars)**

	2003-2004 Budget	Transfer of Responsibility <sup>(a)</sup>	Provincial Board Reallocation <sup>(b)</sup>	2003-2004 Final Budget
<b>Revenue</b>				
Grant from Department of Community Development	\$ 441,037	\$ (341)	\$ -	\$ 440,696
Prior Year Revenue	500	-	-	500
	<u>441,537</u>	<u>(341)</u>	<u>-</u>	<u>441,196</u>
<b>Expenses</b>				
Board Governance	148	-	15	163
Support to Delivery Systems	21,277	-	(12,457)	8,820
Grant to:				
Northwest Region Community Board	15,639	-	593	16,232
Northeast Region Community Board	20,697	-	839	21,536
Edmonton Region Community Board	122,908	(341)	3,622	126,189
Central Region Community Board	111,966	-	1,754	113,720
Calgary Region Community Board	102,473	-	4,019	106,492
South Region Community Board	47,111	-	1,023	48,134
	<u>442,219</u>	<u>(341)</u>	<u>(592)</u>	<u>441,286</u>
<b>Net Operating Results</b>	<u>\$ (682)</u>	<u>\$ -</u>	<u>\$ 592</u>	<u>\$ (90)</u>

<sup>(a)</sup> Contracts were transferred to the Department of Community Development effective July 1, 2003.

<sup>(b)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.

**Persons with Developmental Disabilities  
Provincial Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 35	\$ -	\$ 35	\$ 27
Board Members <sup>(e)</sup>	-	76	-	76	63
Chief Executive Officer <sup>(f)</sup>	107	16	22	145	134
Executive Director, Finance and Information Technology Services <sup>(g)</sup>	85	7	18	110	103
Executive Director, Strategic and Organizational Development <sup>(g)</sup>	83	7	16	106	98
Director, Human Resources <sup>(g)(h)</sup>	75	6	17	98	80
Manager, Business Planning <sup>(g)</sup>	75	6	16	97	89

<sup>(a)</sup> Base Salary includes pensionable base pay.

<sup>(b)</sup> Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include payments for pension, health care, dental and medical coverage, group life insurance, short and long term disability plans and WCB premiums. They also include any professional membership fees and tuition fees, if any.

<sup>(d)</sup> These amounts represent honoraria payments made to the Chair (occupied by one individual during the year) of the Board.

<sup>(e)</sup> There are 14 board member positions (1 vice chair, 7 members-at-large and 6 community board chairs) that were occupied for varying lengths of time during the year. These amounts represent honoraria payments made to the vice chair, 7 members-at-large and appeal honoraria payments for all board members.

<sup>(f)</sup> These payments are made to the Chief Executive Officer (occupied by one individual during the year) 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.

<sup>(g)</sup> Executive are assigned to the Board from the Department of Community Development and are not employees of the Board.

<sup>(h)</sup> The position of Director, Human Resources was occupied by two individuals in 2003.

**Persons with Developmental Disabilities  
Provincial Board  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004		2003		
	Expenses <sup>(a)</sup>	Expenses – Incurred by Others		Valuation Adjustments	
		Accommodation Costs <sup>(b)</sup>	Legal Services <sup>(c)</sup>	Provision for Vacation Pay <sup>(d)</sup>	Total Expenses
Board Governance	\$ 173	\$ -	\$ -	\$ 173	\$ 159
Support to Delivery Systems	7,008	141	16	7,153	5,921
Grants to Persons with Developmental Disabilities Community Boards					
Northwest Region Community Board	16,232	-	-	16,232	15,048
Northeast Region Community Board	21,536	-	-	21,536	19,399
Edmonton Region Community Board	126,189	-	-	126,189	116,105
Central Region Community Board	113,720	-	-	113,720	107,108
Calgary Region Community Board	106,492	-	-	106,492	96,663
South Region Community Board	48,134	-	-	48,134	44,456
	<u>\$ 439,484</u>	<u>\$ 141</u>	<u>\$ 16</u>	<u>\$ 439,629</u>	<u>\$ 404,859</u>

(a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.

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

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

(d) Provision for Vacation Pay and Overtime Pay have been allocated based on the actual provision relating to each program.

**Persons with Developmental Disabilities**  
**Provincial Board**  
**Related Party Transactions**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

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

The 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 parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Department of Community Development	\$ 440,696	\$ 404,227	\$ -	\$ -
<b>Expenses</b>				
Grants to Persons with Developmental Disabilities				
Community Boards:				
Northwest Region Community Board	\$ 16,232	\$ 15,048	\$ -	\$ -
Northeast Region Community Board	21,536	19,399	-	-
Edmonton Region Community Board	126,189	116,105	-	-
Central Region Community Board	113,720	107,108	-	-
Calgary Region Community Board	106,492	96,663	-	-
South Regional Community Board	48,134	44,456	-	-
Other Services	-	-	1,928	1,676
	<u>\$ 432,303</u>	<u>\$ 398,779</u>	<u>\$ 1,928</u>	<u>\$ 1,676</u>

As at March 31, 2004, accounts payable of the Board include a total of \$539 (2003 – \$507) owing to related parties for Other Services.

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	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Department of Infrastructure	\$ -	\$ -	\$ 141	\$ 143
Department of Justice	-	-	16	28
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ 171</u>



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

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Financial Statements

March 31, 2004

**Persons with Developmental Disabilities  
South Region Community Board  
Financial Statements  
March 31, 2004**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Salary and Benefits Disclosure

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 Region Community Board and the Minister of Community Development

I have audited the statement of financial position of the Persons with Developmental Disabilities South Region Community Board as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Board'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 Persons with Developmental Disabilities South Region Community Board as at March 31, 2004 and the results of its operations and its cash flows 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 J. Dunn, FCA  
Auditor General

Edmonton, Alberta  
May 14, 2004

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

**Persons with Developmental Disabilities  
South Region Community Board  
Statement of Operations  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Grant from Persons with Developmental Disabilities			
Provincial Board	\$ 47,111	\$ 48,134	\$ 44,456
Previous Year's Refund of Expenditures	-	24	127
	<u>47,111</u>	<u>48,158</u>	<u>44,583</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedule 1)</b>			
<b>Programs</b>			
Community Living Supports	25,874	26,891	24,418
Employment Supports	2,824	2,588	2,495
Community Access Supports	10,150	10,077	9,802
Specialized Community Supports	319	302	297
Supports to Delivery Systems	7,850	8,283	7,296
Board Governance	94	137	91
	<u>47,111</u>	<u>48,278</u>	<u>44,399</u>
Valuation Adjustments (Schedule 4)	-	4	18
	<u>47,111</u>	<u>48,282</u>	<u>44,417</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ (124)</u>	<u>\$ 166</u>

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

**Persons with Developmental Disabilities  
South Region Community Board  
Statement of Financial Position  
As at March 31, 2004  
(thousands of dollars)**

	2004	2003
<b>Assets</b>		
Cash	\$ 1,196	\$ 1,177
Accounts Receivable (Note 3)	13	16
	\$ 1,209	\$ 1,193
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 1,307	\$ 1,167
<b>Net Assets (Liabilities)</b>		
Net Assets (Liabilities), Beginning of Year	26	(140)
Net Operating Results	(124)	166
Net Assets (Liabilities), End of Year	(98)	26
	\$ 1,209	\$ 1,193

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

**Persons with Developmental Disabilities  
South Region Community Board  
Statement of Cash Flow  
Year ended March 31, 2004  
(thousands of dollars)**

	2004	2003
Operating Transactions		
Net Operating Results	\$ (124)	\$ 166
Non-cash Items		
Valuation Adjustments	4	18
	(120)	184
Decrease (Increase) in Accounts Receivable	3	(11)
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	136	(450)
Cash Provided by Operating Transactions	19	(277)
Cash, Beginning of Year	1,177	1,454
Cash, End of Year	\$ 1,196	\$ 1,177

<sup>(a)</sup> Adjusted for valuation adjustment.

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

**Persons with Developmental Disabilities  
South Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The South Region 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 (the Ministry) and for which the Minister of Community Development (the Minister) 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 Persons with Developmental Disabilities Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

**(b) Basis of Financial Reporting**

**Expenses**

**Directly Incurred Expenses**

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 also include:

**Persons with Developmental Disabilities  
South Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Expenses (continued)**

Directly Incurred Expenses (continued)

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

Description of 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 the community.

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

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

Expenses 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.

**Persons with Developmental Disabilities  
South Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

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

**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 carrying value of assets held by the Board and its liabilities.

**Note 3 Accounts Receivable (thousands of dollars)**

	2004		2003	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Child & Family Services Authority	\$ 12	\$ -	\$ 12	\$ 15
GST Receivable	1	-	1	1
	\$ 13	\$ -	\$ 13	\$ 16

Accounts receivable are unsecured and non-interest bearing.

**Persons with Developmental Disabilities  
South Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

	2004	2003
Accrued Grants to Individuals	\$ 1,018	\$ 918
Employees Accrued Vacation Pay and Manpower Costs	206	166
Accrued Supplies and Services	83	83
	\$ 1,307	\$ 1,167

**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 (thousands of dollars)**

As at March 31, 2004, the Board has the following commitments:

	2004	2003
Service Contracts <sup>(a)</sup>	\$ 4,791	\$ 3,597
Long-term Leases <sup>(b)</sup>	10	19
	\$ 4,801	\$ 3,616

<sup>(a)</sup> The actual amounts are dependent on the usage of service.

<sup>(b)</sup> 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:

2005	\$ 9
2006	1
	\$ 10



**Persons with Developmental Disabilities  
South Region Community Board  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 8 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 were receiving services prior to the passing of the *Act* but they no longer met the new criteria for Persons with Developmental Disabilities (PDD).

In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to these 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 (2003 – 16) individuals that has been included in the Statement of Operations is estimated to be \$361 (2003 – \$425).

**Note 9 Services Provided by Regional Health Authorities (thousands of dollars)**

The Board incurred \$2,125 (2003 - \$2,063) and \$2,558 (2003 - \$2,484) for contract services rendered by the Chinook Regional Health Authority and the Palliser Regional Health Authority, respectively. These transactions were recorded at the amount of consideration agreed upon between the parties.

**Note 10 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 11 Approval of Financial Statements**

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

**Persons with Developmental Disabilities  
South Region Community Board  
Expenses – Directly Incurred Detailed By Object  
Year ended March 31, 2004  
(thousands of dollars)**

	2004		2003
	Budget	Actual	Actual
Manpower <sup>(a)</sup>	\$ 1,187	\$ 1,297	\$ 1,180
Supplies and Services	29,436	33,461	28,871
Grants	16,488	13,520	14,348
	\$ 47,111	\$ 48,278	\$ 44,399

<sup>(a)</sup> Manpower costs relate to employees assigned to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities**  
**South Region Community Board**  
**Budget**  
**Year ended March 31, 2004**  
**(thousands of dollars)**

	2003-2004 Budget	Reallocation From Provincial Board <sup>(a)</sup>	2003-2004 Final Budget
<b>Revenue</b>			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 47,111	\$ 1,023	\$ 48,134
<b>Expenses – Directly Incurred</b>			
Community Living Supports	25,874	429	26,303
Employment Supports	2,824	(136)	2,688
Community Access Supports	10,150	408	10,558
Specialized Community Supports	319	1	320
Supports to Delivery Systems	7,850	325	8,175
Board Governance	94	4	98
	<u>47,111</u>	<u>1,031</u>	<u>48,142</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

<sup>(a)</sup> Budget adjustments were approved by the Provincial Board on June 18, 2003 and March 11, 2004.

**Persons with Developmental Disabilities  
South Region Community Board  
Salary and Benefits Disclosure  
Year ended March 31, 2004  
(thousands of dollars)**

	2004			2003	
	Base Salary <sup>(a)</sup>	Other Cash Benefits <sup>(b)</sup>	Other Non-cash Benefits <sup>(c)</sup>	Total	Total
Chair of the Board <sup>(d)</sup>	\$ -	\$ 17	\$ -	\$ 17	\$ 19
Board Members <sup>(e)</sup>	-	30	-	30	25
Chief Executive Officer <sup>(f)</sup>	106	15	5	126	116
Manager, Community Resources <sup>(g)</sup>	73	5	15	93	87
Manager, Finance <sup>(g)</sup>	68	4	15	87	82

<sup>(a)</sup> Base Salary includes pensionable base pay.

<sup>(b)</sup> Other cash benefits include bonuses, overtime, lump sum payments and honoraria.

<sup>(c)</sup> Other non-cash benefits include payments for pension, health care, dental and medical coverage, group life insurance, short and long-term disability plans and WCB premiums. They also include any professional membership fees and tuition fees, if any.

<sup>(d)</sup> These amounts represent honoraria payments made to the Chair (occupied by one individual during the year) of the Board.

<sup>(e)</sup> There are 6 board member positions that were occupied for varying lengths of time during the year. These amounts represent honoraria payments made for all board members.

<sup>(f)</sup> These payments are made to the Chief Executive Officer (occupied by one individual during the year) 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.

<sup>(g)</sup> Managers are assigned to the Board from the Department of Community Development and are not employees of the Board.

**Persons with Developmental Disabilities  
South Region Community Board  
Allocated Costs  
Year ended March 31, 2004  
(thousands of dollars)**

Program	2004			2003	
	Expenses <sup>(a)</sup>	Expenses- Incurred by Others	Valuation Adjustments	Total Expenses	Total Expenses
Community Living Supports	\$ 26,891	\$ 79	\$ -	\$ 26,970	\$ 24,488
Employment Supports	2,588	-	-	2,588	2,495
Community Access Supports	10,077	-	-	10,077	9,802
Specialized Community Supports	302	-	-	302	297
Supports to Delivery Systems	8,283	97	4	8,384	7,412
Board Governance	137	-	-	137	91
	<u>\$ 48,278</u>	<u>\$ 176</u>	<u>\$ 4</u>	<u>\$ 48,458</u>	<u>\$ 44,585</u>

(a) Expenses – Directly Incurred as per Statement of Operations excluding valuation adjustments.  
 (b) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5.  
 (c) Provisions for Vacation Pay has been allocated based on actual provision relating to each program.

**Persons with Developmental Disabilities  
South Region Community Board  
Related Party Transactions  
Year ended March 31, 2004  
(thousands of dollars)**

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

The 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 on the Statement of Operations at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
<b>Revenues</b>				
Persons with Development Disabilities				
Provincial Board	\$ 48,134	\$ 44,456	\$ -	\$ -
<b>Expenses</b>				
Department of Innovation and Science	\$ -	\$ -	\$ 68	\$ 90
Department of Government Services	-	-	85	119
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153</u>	<u>\$ 209</u>

At March 31, 2004, accounts payable of the Board includes amounts owing of \$9 (2003 - \$22) to the Department of Innovation and Science and \$15 (2003 - \$29) to the Department of Government Services.

At March 31, 2004, accounts receivable of the Board includes amounts owing of \$7 (2003 - \$0) from Southeast Alberta Child and Family Services Authority and \$5 (2003 - \$15) from Southwest Alberta Child and Family Services Authority.

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	
	2004	2003	2004	2003
<b>Expenses – Incurred by Others</b>				
Department of Infrastructure	\$ -	\$ -	\$ 176	\$ 166
Department of Justice	-	-	-	2
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176</u>	<u>\$ 168</u>

**The Following Information is Unaudited**

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**Ministry of Community Development**  
**Statement of Remissions, Compromises and Write-Offs**  
**For the year ended March 31, 2004**  
**(Unaudited)**

The following statement has been prepared pursuant to Section 23 of the *Financial Administration Act*. This statement includes all remissions, compromises and write-offs made or approved during the fiscal period.

Write-offs	
Accounts Receivable	\$ 1,428
	<hr/>
Total write-offs	\$ 1,428
	<hr/>



# Alphabetical List Of Entities' Financial Information In Ministry 2003-04 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 <sup>1</sup>	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board <sup>2</sup>	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	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	Community Development
Alberta Insurance Council	Finance
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	Revenue
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
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta <sup>1</sup>	Agriculture, Food and Rural Development
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

<sup>1</sup> The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

<sup>2</sup> Dissolved August 1, 2003

## ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

<i>Ministry, Department, Fund or Agency</i>	<i>Ministry Annual Report</i>
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	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 <sup>3</sup>	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 <sup>3</sup>	Economic Development
Ministry of Energy	Energy
Ministry of Environment <sup>3</sup>	Environment
Ministry of Finance	Finance
Ministry of Executive Council <sup>3</sup>	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services <sup>3</sup>	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment <sup>3</sup>	Human Resources and Employment
Ministry of Infrastructure <sup>3</sup>	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations <sup>3</sup>	International and Intergovernmental Relations
Ministry of Justice <sup>3</sup>	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs <sup>3</sup>	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 <sup>3</sup>	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	

<sup>3</sup> Ministry includes only the departments 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>
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	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	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment





