

Persons with Developmental Disabilities Provincial Board

Financial Statements

March 31, 2004

**Persons with Developmental Disabilities
Provincial Board
Financial Statements
March 31, 2004**

Auditor's Report

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AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 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
Revenue			
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>
Expenses – Directly Incurred (Note 2b and Schedule 1)			
Programs			
Board Governance	148	173	159
Supports to Delivery System	21,277	7,008	5,577
Grants to Persons with Developmental Disabilities			
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>
Net Operating Results	<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
Assets		
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
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	\$ 1,240	\$ 1,150
Net Assets		
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 ^(a)	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>

^(a) 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	-
	\$ 40	\$ -	\$ 40	\$ 39

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
	\$ 1,240	\$ 1,150

**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 ^(a)	\$ 389	\$ -

^(a) 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 ^{(a)(b)}	\$ 6,388	\$ 2,420	\$ 2,085
Supplies and Services ^(b)	7,871	4,681	3,436
Grants ^(b)	427,278	432,319	398,929
Amortization of Tangible Capital Assets	80	64	65
Financial Transactions and Other	602	-	-
	\$ 442,219	\$ 439,484	\$ 404,515

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

^(b) 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 ^(a)	Provincial Board Reallocation ^(b)	2003-2004 Final Budget
Revenue				
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>
Expenses				
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>
Net Operating Results	<u>\$ (682)</u>	<u>\$ -</u>	<u>\$ 592</u>	<u>\$ (90)</u>

^(a) Contracts were transferred to the Department of Community Development effective July 1, 2003.

^(b) 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 ^(a)	Other Cash Benefits ^(b)	Other Non-cash Benefits ^(c)	Total	Total
Chair of the Board ^(d)	\$ -	\$ 35	\$ -	\$ 35	\$ 27
Board Members ^(e)	-	76	-	76	63
Chief Executive Officer ^(f)	107	16	22	145	134
Executive Director, Finance and Information Technology Services ^(g)	85	7	18	110	103
Executive Director, Strategic and Organizational Development ^(g)	83	7	16	106	98
Director, Human Resources ^{(g)(h)}	75	6	17	98	80
Manager, Business Planning ^(g)	75	6	16	97	89

^(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 one individual during the year) of the Board.

^(e) 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.

^(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 are assigned to the Board from the Department of Community Development and are not employees of the Board.

^(h) 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 ^(a)	Expenses – Incurred by Others		Valuation Adjustments	
		Accommodation Costs ^(b)	Legal Services ^(c)	Provision for Vacation Pay ^(d)	Total Expenses
Board Governance	\$ 173	\$ -	\$ -	\$ 173	\$ 159
Support to Delivery Systems	7,008	141	16	(12)	7,153
Grants to Persons with Developmental Disabilities Community Boards					
Northwest Region Community Board	16,232	-	-	-	16,232
Northeast Region Community Board	21,536	-	-	-	21,536
Edmonton Region Community Board	126,189	-	-	-	126,189
Central Region Community Board	113,720	-	-	-	113,720
Calgary Region Community Board	106,492	-	-	-	106,492
South Region Community Board	48,134	-	-	-	48,134
	<u>\$ 439,484</u>	<u>\$ 141</u>	<u>\$ 16</u>	<u>\$ (12)</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
Revenues				
Department of Community Development	\$ 440,696	\$ 404,227	\$ -	\$ -
Expenses				
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
Expenses – Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 141	\$ 143
Department of Justice	-	-	16	28
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157</u>	<u>\$ 171</u>

