



Freedom To Create. Spirit To Achieve.

# Children and Youth Services

## Annual Report 2010-2011

Alberta Children and Youth Services  
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**Government of Alberta** ■



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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta contains Ministers' accountability statements, the consolidated financial statements of the Province and *The Measuring Up* report, which compares actual performance results to desired results set out in the government's business plan.

**This annual report of the Ministry of Children and Youth Services contains the Minister's accountability statement, the audited consolidated financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:**

- **the financial statements of entities making up the Ministry, including the Department of Children and Youth Services and the 10 Child and Family Services Authorities for which the Minister is responsible,**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.**

# Minister's Accountability Statement

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The Ministry's annual report for the year ended March 31, 2011, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at June 17, 2011 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original Signed By:

*Yvonne Fritz*  
*Minister of Children and Youth Services*

## Message from the Minister

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*Honourable Yvonne Fritz*

The Ministry and our community partners are dedicated to making a positive and lasting difference in the lives of children, youth and families in Alberta. Together, we share an important responsibility and commitment to keep vulnerable children and youth safe and help them reach their full potential, while supporting families and strengthening communities. Over the past year, our Ministry had many significant accomplishments, which help to improve the well-being of current and future generations of children, youth and families.

In October, we began implementing 10 recommendations from the *Closing the Gap Between Vision and Reality: Strengthening Accountability, Adaptability and Continuous Improvement in Alberta's Child Intervention System* report. Incorporating these important recommendations will enhance the safety and well-being of children and youth in care and help to make our child intervention system stronger.

Working in partnership with Aboriginal families and communities to provide safe and nurturing environments for children remains a special focus for our Ministry. On June 17, 2010, we hosted an historic inaugural meeting, *Gathering Today for Our Aboriginal Children's Future*. This was a special opportunity for Chairs of Delegated First Nation Agencies, Co-Chairs of Child and Family Services Authorities and Representatives of First Nation organizations served by Child and Family Services Authorities to meet together for the first time. A second meeting was held in November 2010, to further discuss enhancing services and supports for Aboriginal children, youth and families. These meetings will continue on an annual basis.

The first of its kind in Canada, the *Alberta Vulnerable Infant Response Team*, was established by the Ministry. The team involves caseworkers, public health nurses and police working closely together, at one site, to provide intensive guidance and support for at-risk families with infants, up to three months of age. This integrated approach will provide immediate resources and supports for the safety and well-being of vulnerable infants.

The three-year Space Creation program was successfully completed. The creation of nearly 20,000 spaces across the province, since 2008, exceeded the initial target of 14,000 spaces. This outstanding achievement increased parents' access to quality, affordable child care for their children. As well, 96 per cent of day cares and family day home agencies are now participating in accreditation.

Working in partnership with the ministry of Education, the *Success in Schools Provincial Protocol Framework* was implemented. As part of the three-year plan, school districts and Child and Family Services Authorities are working together to enhance the coordination of educational supports for children and youth in care, which will help them to achieve their goals, inside the classroom and out. We also launched a pilot project with the ministry of Education, to provide more coordinated services for families with children who have disabilities.

Taking action to prevent family violence and bullying and providing support to victims is another important priority for Children and Youth Services. This past year, we increased protection for those affected by family violence – amending the *Protection Against Family Violence Act* to include strong penalties for breaches of protection orders.

Along with these achievements, we continued our important ongoing efforts to provide parenting resources for families at Parent Link Centres; help communities with prevention, treatment and support for people affected by Fetal Alcohol Spectrum Disorder; support at-risk youth; find permanent and loving homes for children in care; and assist foster parents and kinship caregivers with training and resources. We also continued to work closely together with contracted social service agencies to put in place a new service delivery model that will improve outcomes for children, youth and families.

Every day, I am inspired by the compassionate and dedicated staff of our Ministry, partnering agencies and community organizations. My warmest thank you to all, for your incredible caring and commitment to the people we serve. It is a privilege to work with you as Minister. Together, we will continue to create a brighter future for our children, youth and families.

Original Signed By:

*Yvonne Fritz*  
*Minister of Children and Youth Services*  
*June 10, 2011*

# Management's Responsibility for Reporting

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The Ministry of Children and Youth Services includes: the Department of Children and Youth Services and the 10 Child and Family Services Authorities.

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Children and Youth Services. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliability – Information agrees with the underlying data and the sources used to prepare it;
- Understandability and Comparability – Current results are presented clearly, in accordance with the stated methodology and are comparable with previous results; and
- Completeness – Performance measures and targets match those included in Budget 2010.



As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the Province under Ministry administration;
- provide Executive Council, Treasury Board, the Minister of Finance and Enterprise and the Minister of Children and Youth Services any information needed to fulfill their responsibilities; and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities, I have relied, as necessary, on the executives of the individual entities within the Ministry.

Original Signed By:

*Steve MacDonald*  
*Deputy Minister*  
*June 17, 2011*



# Results Analysis



# Description of the Organization

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The Government of Alberta is responsible for providing services to help ensure the safety and well-being of children and families. The Ministry of Children and Youth Services fulfils these obligations through the following entities:

## Department of Children and Youth Services

### **Child Intervention Program Quality and Supports**

This division provides strategic leadership to ensure vulnerable children, youth and families receive high quality services focused on better outcomes. Key responsibilities include:

- developing program and policy to support adoption, post-guardianship and child intervention services including protection of children and youth, provision of out-of-home placements (i.e., foster care and kinship care), and protection of sexually exploited children;
- providing child intervention program quality assurance, data analysis and outcomes evaluation; and
- supporting Child and Family Services Authorities and Delegated First Nation Agencies through the provision of case consultation and policy clarification to support continuous improvement in services for vulnerable and at-risk children, youth and families.

### **Family Violence Prevention, Bullying and Youth Strategies**

This division provides leadership in the development and implementation of a coordinated and collaborative provincial response to preventing family violence and bullying and supporting those affected. Key responsibilities include:

- preventing and reducing the incidence of family violence and protecting victims of family violence through measures under the *Protection Against Family Violence Act* and the *Child, Youth and Family Enhancement Act*;
- working with and funding women's emergency shelters and sexual assault centres to support individuals and families affected by family violence to live safely in their homes and communities;
- leading and coordinating a nine-ministry provincial Prevention of Family Violence and Bullying Initiative to address policy and system priorities toward an Alberta free of family violence and bullying;
- supporting communities in working towards coordinated provincial and community responses to family violence and bullying, including a comprehensive range of prevention, protection, outreach and follow-up services and supports for children and family members affected; and
- managing a continuum of services to support youth at risk, including youth in transition initiatives focused on post-secondary education (Advancing Futures bursary program), youth homelessness, youth engagement and support to communities through community-based grants to address the needs of at-risk youth.

### **Community Strategies and Support**

This division leads the implementation of preventive programs and development of partnerships to enhance community-based services for children, youth and families. Key responsibilities include:

- supporting the delivery of quality, affordable child care services that promote early childhood development and well-being;
- leading cross-ministry preventive initiatives such as the Fetal Alcohol Spectrum Disorder 10-year Strategic Plan;
- supporting prevention and early intervention programs including Family and Community Support Services and Parent Link Centres; and
- supporting families who have children with disabilities.

### **Aboriginal Policy and Initiatives**

This division provides leadership and direction to enhance the capacity and cultural competency of the Ministry to better meet the needs of Aboriginal children, youth and families. Key responsibilities include:

- supporting continuous improvement and community-based consultation in the delivery of services for vulnerable and at-risk First Nations children, youth and families;
- leading Ministry business planning and reporting and performance measurement;
- supporting board governance, the Appeal Secretariat and the Social Care Facilities Review Committee; and
- liaising with other jurisdictions and providing advice to the Minister and senior management staff on inter-governmental initiatives.

### **Ministry Support Services**

This division provides strategic and operational support for policy and program development and service delivery. The division supports Ministry operations by:

- providing legal policy advice, legislative planning and litigation support;
- leading financial planning, budgeting, analysis and monitoring processes;
- maintaining data resources, records management, information systems and technology infrastructure;
- providing advice relating to the *Freedom of Information and Protection of Privacy Act*; and
- conducting research, evaluation and strategic analysis to support program and policy development and practice improvement.

## Child and Family Services Authorities

Child and Family Services Authorities (CFSAs) deliver front-line services for the Ministry, providing support and services to children, youth and families by meeting local needs while following provincial policies and standards. The Minister of Children and Youth Services appoints a board of community members to govern each CFSA. There are 10 CFSAs, including one specifically focused on services within the eight Métis Settlements. The *Child and Family Services Authorities Act*, a memorandum of understanding and an annual business plan approved by the Minister, establishes the roles and responsibilities for each board.

Approximately 2,700 staff employed by Children and Youth Services work in the province's 10 CFSAs. Services provided by CFSAs include:

- providing casework services in programs such as Child Intervention Services and Family Support for Children with Disabilities;
- licensing and monitoring child care, including day care centres and family day home agencies;
- providing child care subsidies to eligible parents;
- monitoring and assessing the quality of its regional programs for children, youth and families;
- contracting with community agencies to deliver additional services, including family enhancement and early intervention supports and a range of out-of-home placement options (i.e., foster care, group care and supported independent living);
- engaging with their community to assess needs, set priorities, plan and allocate resources; and
- working with other CFSAs, Delegated First Nation Agencies, contracted agencies, communities and businesses, as well as other ministries and governments to coordinate services for children, youth and families.

## Delegated First Nation Agencies

To better meet the unique needs of First Nations children and youth living on-reserve, Children and Youth Services recognizes and values the need for First Nation communities to have a role in providing child intervention services. For 40 of the 45 First Nations in Alberta that provide services under the *Child, Youth and Family Enhancement Act*, this is accomplished through formal agreements between the Ministry, Indian and Northern Affairs Canada and 18 Delegated First Nation Agencies (DFNAs). Under these agreements, each DFNA is accountable and responsible for:

- ensuring that children in need of intervention who ordinarily reside on reserve receive the statutory child intervention services they require;
- delivering these services within the funding provisions of Indian and Northern Affairs Canada; and
- developing community-based early intervention and family enhancement services.

The remaining five First Nation communities work closely with their local CFSAs to receive appropriate services on-reserve.

## Family and Community Support Services

Family and Community Support Services (FCSS) is a funding partnership between the province and municipalities or Métis Settlements. A total of 320 municipalities and Métis Settlements, organized into 206 programs, provide FCSS-funded services in Alberta. The Ministry of Children and Youth Services funds 80 per cent of the FCSS annual budget, while municipalities and Métis Settlements provide the remaining 20 per cent for community-based preventive social services. Under the *Family and Community Support Services Act*, communities design and deliver preventive social programs and engage community resources and volunteers.

## Youth Secretariat

The Youth Secretariat, chaired by a Premier-appointed Member of the Legislative Assembly (MLA), works with youth, MLAs, Ministry representatives, government departments and stakeholders. The Secretariat is a liaison between the Youth Advisory Panel and the Minister of Children and Youth Services, identifying issues specific to youth at risk, ensuring programs are responsive to the needs of Alberta's children, youth and families; and serving as a voice for Alberta's youth within the Government of Alberta.

## Social Care Facilities Review Committee

The Lieutenant Governor-in-Council appoints the Social Care Facilities Review Committee members. This citizen committee is responsible for reviewing the quality of service provided in certain social care facilities and investigating complaints or concerns regarding social care facilities, upon the Minister's request.

## Children and Youth Services Appeal Panels

The Minister appoints the *Child, Youth and Family Enhancement Act* (CYFE) Appeal Panel, the *Family Support for Children with Disabilities Act* Appeal Committee and the *Child Care Licensing Act* Appeal Panel (collectively referred to as Appeal Panels). These citizen panels provide fair, impartial and independent reviews of Ministry decisions to Albertans who are affected by an appealable decision under the respective legislation.

## Child and Youth Advocate

The Child and Youth Advocate reports to the Minister and operates autonomously from the Ministry in order to carry out its mandated functions by representing the rights, interests and viewpoints of children and youth who receive services under CYFE and the *Protection of Sexually Exploited Children Act*.



## Alberta's Promise

The Premier's Council on Alberta's Promise comprises individuals from the private and not-for-profit sectors and community leaders from across Alberta. Alberta's Promise achieves its mandate by encouraging funding partners to contribute resources to strengthen community capacity to further the well-being of children, youth and families;

## Alberta Centre for Child, Family and Community Research

The Alberta Centre for Child, Family and Community Research is an innovative, arm's-length, not-for-profit organization that builds Alberta's capacity for high quality research focused on services related to children, families and communities.

# Ministry Core Businesses and Goals

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The Ministry of Children and Youth Services works in partnership with other ministries and governments as well as agencies and organizations to provide a wide range of services to support vulnerable and at-risk children, youth and families in Alberta. Children and Youth Services has three core businesses, under the direction of the Minister:

## **CORE BUSINESS ONE:**

### ***Prevention - Promoting the development and well-being of children, youth and families***

**Goal One:** Support families to create the foundation for children and youth to grow and reach their potential.

Expected outcomes: Children, youth and families have access to quality supports, services and information to promote resilience and well-being.

## **CORE BUSINESS TWO:**

### ***Preservation and Protection - Preserving families and protecting children and youth***

**Goal Two:** Families will be supported to provide a safe and healthy environment for children and youth.

Expected outcomes: Families are supported to overcome difficult circumstances to ensure the safety and well-being of their children and youth.

**Goal Three:** Children in need will be protected and supported by permanent, nurturing relationships.

Expected outcomes: Children and youth in need are protected from further abuse and neglect. Children and youth in care are placed in secure and stable environments that allow for the development of lifelong relationships and connection to family, culture and community.

## **CORE BUSINESS THREE:**

### ***Partnerships – Working with communities to build relationships and share planning and decision making to improve outcomes***

**Goal Four:** The well-being and self-reliance of Aboriginal children, youth, families and communities will be promoted and supported.

Expected outcomes: Aboriginal communities are successful in supporting children, youth and families to reach full physical, mental, emotional and spiritual well-being. Strategies to address the root causes of Aboriginal children and youth coming into care are in place. Children and youth in care are in nurturing and stable homes that encourage the development of lifelong relationships and connection to family, culture and community. Aboriginal children, youth and families receive culturally appropriate services. Children, youth and families have access to quality information, supports and services to strengthen the family unit and increase their well-being.

**Goal Five:** Communities are responsive to the needs of vulnerable children, youth and families.

Expected outcomes: Communities are strong and have the ability to respond to the issues/needs faced by vulnerable children, youth and families. Communities have the opportunity to provide input into services that affect children, youth and families.

# Review Engagement Report

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To the Members of the Legislative Assembly

I have reviewed the performance measures identified as “Reviewed by Auditor General” in the *Ministry of Children and Youth Services’ 2010-11 Annual Report*. These performance measures are the responsibility of the Ministry and are prepared based on the following criteria:

- Reliability – information agrees with the underlying data and with sources used to prepare it.
- Understandability and Comparability – current results are presented clearly in accordance with the stated methodology and are comparable with previous results.
- Completeness – performance measures and targets match those included in Budget 2010.

My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to my Office by the Ministry. My review was not designed to provide assurance on the relevance of these performance measures.

A review does not constitute an audit and, consequently, I do not express an audit opinion on these performance measures.

Based on my review, nothing has come to my attention that causes me to believe that the “Reviewed by Auditor General” performance measures in the Ministry’s 2010-11 Annual Report are not, in all material respects, presented in accordance with the criteria of reliability, understandability, comparability, and completeness as described above. However, my review was not designed to provide assurance on the relevance of these performance measures.

[Original signed by Merwan N. Saher, CA]  
Auditor General

*June 1, 2011*  
*Edmonton, Alberta*

# Performance Measures Summary Table

Core Businesses/Goals/Performance Measure(s)	Prior Years' Results				2010-11 Target	Current Actual
	2006-07	2007-08	2008-09	2009-10		
<b>Core Business One: Prevention – Promoting the development and well-being of children, youth and families.</b>						
<b>1. Support families to create the foundation for children and youth to grow and reach their potential.</b>						
1.a* Percentage of licensed day care centres and contracted family day home agencies that are accredited	30.7% 2006-07	54.0% 2007-08	75.8% 2008-09	81.9% 2009-10	<b>90%</b>	81.4% 2010-11
<b>Data Source:</b> Child Care Information System						
1.b Percentage of Albertans who have information to better help in situations of family violence <sup>1</sup> or bullying <sup>2</sup>	N/A 2006-07	65% <sup>1</sup> 65% <sup>2</sup> 2007-08	N/A 2008-09	73% <sup>1</sup> 65% <sup>2</sup> 2009-10	<b>N/A</b> <b>N/A</b>	N/A N/A 2010-11
<b>Data Source:</b> Albertans' Perception of Family Violence and Bullying Survey. The survey is conducted biennially by an external survey firm.						
<sup>1</sup> Family Violence results and target						
<sup>2</sup> Bullying results and target						
<b>Core Business Two: Preservation and Protection – Preserving families and protecting children and youth.</b>						
<b>2. Families will be supported to provide a safe and healthy environment for children and youth.</b>						
2.a Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse	95.9% 2006-07	96.1% 2007-08	96.7% 2008-09	96.8% 2009-10	<b>95%</b>	96.8% 2010-11
<b>Data Source:</b> Women's Emergency Shelter Exit Survey						
2.b Percentage of foster families who indicate positive impacts for their foster children	84.7% 2006-07	N/A 2007-08	83.9% 2008-09	N/A 2009-10	<b>87%</b>	81.1% 2010-11
<b>Data Source:</b> Foster Care Program Survey. The survey is conducted biennially by an external survey firm.						
2.c* Percentage of families accessing the Family Support for Children with Disabilities program that indicate the services provided had a positive impact on their child	86.7% 2006-07	N/A 2007-08	86.1% 2008-09	N/A 2009-10	<b>87%</b>	89.5% 2010-11
<b>Data Source:</b> Family Support for Children with Disabilities Program Survey. The survey is conducted biennially by an external survey firm.						
<b>3. Children in need will be protected and supported by permanent, nurturing relationships.</b>						
3.a Percentage of children who suffer injury that results in hospitalization or death while receiving protective services	0.1% 2006-07	0.1% 2007-08	0.1% 2008-09	0.1% 2009-10	<b>0%</b>	0.15% 2010-11
<b>Data Source:</b> Child and Youth Information Module						
3.b Number of children, in the permanent care of the Director, for whom Adoption or Private Guardianship Orders are granted	402 2006-07	509 2007-08	550 2008-09	579 2009-10	<b>489</b>	551 2010-11
<b>Data Source:</b> Child and Youth Information Module						

# Performance Measures Summary Table

Core Businesses/Goals/Performance Measure(s)	Prior Years' Results				2010-11 Target	Current Actual
	2006-07	2007-08	2008-09	2009-10		
3.c Percentage of children and youth who received child intervention (family enhancement or protective services) and did not require protective services within 12 months of file closure <b>Data Source:</b> Child and Youth Information Module	N/A	87%	86%	90%	<b>87%</b>	89%
	2006-07	2007-08	2008-09	2009-10		2010-11
3.d Percentage of adoptive families indicating that their child was well-prepared for adoption <b>Data Source:</b> Adoption Program Survey. The survey is conducted biennially by an external survey firm.	N/A	N/A	83%	N/A	<b>84%</b>	75%
	2006-07	2007-08	2008-09	2009-10		2010-11
3.e Percentage of youth receiving Advancing Futures Bursaries who successfully completed their planned studies during the fiscal year <b>Data Source:</b> Bursary Information Module	N/A	N/A	78%	79%	<b>77%</b>	79%
	2006-07	2007-08	2008-09	2009-10		2010-11
<b>Core Business Three: Partnerships – Working with communities to build relationships and share planning and decision making to improve outcomes.</b>						
<b>4. The well-being and self-reliance of Aboriginal children, youth, families and communities will be promoted and supported.</b>						
4.a* Percentage of Aboriginal children in foster care/kinship care who are placed with Aboriginal families <b>Data Source:</b> Child and Youth Information Module	37.6%	38.5%	38.7%	39.9%	<b>50%</b>	40.7%
	2006-07	2007-08	2008-09	2009-10		2010-11
<b>5. Communities are responsive to the needs of vulnerable children, youth and families.</b>						
5.a* Percentage of expenditures in the children/youth/families project and service category of Family and Community Support Services <b>Data Source:</b> Family and Community Support Services Annual Program Reports. Data for this measure are collected by calendar year and formally reported in the next fiscal year. For example, data from the 2009 calendar year are reported in 2010-11.	49.1%	49.3%	48.7%	45.8%	<b>50%</b>	42.1%
	2006-07	2007-08	2008-09	2009-10		2010-11

\* **Indicates Performance Measures that have been reviewed by the Office of the Auditor General**

The performance measures indicated with an asterisks were selected for review by ministry management based on the following criteria established by government:

- Enduring measures that best represent the goal and mandated initiatives;
- Measures for which new data is available; and
- Measures that have well established methodology.

For more detailed information, see Performance Measures – Data Sources and Methodology in the Appendix section.

# Core Business One:

Prevention - Promoting the development and well-being of children, youth and families

## GOAL 1:

# Support families to create the foundation for children and youth to grow and reach their potential

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## Accomplishments

- Successfully concluded a comprehensive plan that supported the development of additional, quality child care by creating 19,875 new child care spaces of the past three years.
- Provided grants to 25 women's shelters that created 276 child care spaces through the Women's Shelter Child Care Program, as part of government's Creating Child Care Choices plan to increase support for specialized high-quality child care for families receiving services from shelters for women.
- Continued to accredit licensed day cares, out-of-school care programs and contracted family day homes agencies. As of March 31, 2011, more than 96 per cent of licensed day cares and contracted family day home agencies are participating in accreditation and more than 81 per cent of programs are accredited. Additionally, more than 84 per cent of out-of-school care programs are participating in accreditation and more than 31 per cent of programs are accredited.
- Developed a cross-ministry plan to support a collaborative approach to early childhood development, including:
  - the collaborative Family Support for Children with Disabilities and Program Unit Funding pilot projects with Alberta Education;
  - the Early Childhood Development Mapping Initiative led by Alberta Education;
  - the Alberta Triple P Network to develop a coordinated approach for the delivery of the Positive Parenting Program (Triple P) across partnering Ministries; and
  - the Raising Children web portal project led by Alberta Education.
- In 2010-11, Parent Link Centres (PLCs) reported that they served approximately 92,000 children, youth and parents/caregivers.
- Implemented the use of the Ages and Stages Questionnaire – Social-Emotional Scale in all PLCs, which is used to help identify young children who may have difficulties in the area of social-emotional development, and refer these children for further assessment or follow-up services as required.
- Mentors offered intensive supports to women at risk of giving birth to children with Fetal Alcohol Spectrum Disorder, to reduce alcohol and drug use and support a healthy lifestyle for the mothers and their children.
- Supported the Parent-Child Assistance Program, an intensive relationship-based prevention program currently offering services across the province.
- Passed Bill 2, the *Protection Against Family Violence Amendment Act*, to strengthen protection for those impacted by family violence by introducing penalties for breaches of protection orders.
- Provided more than \$750,000 to support safe visitation sites across the province that offer a safe environment for children to visit with a non-custodial parent. In 2010-11, 94 families used a safe visitation site, for a total of 1,106 visits.

- Through the Success in School Provincial Protocol Framework, established a stronger partnership with Education and school authorities, leading to more co-ordinated services and better educational outcomes for children and youth in care. Child and Family Services Authorities and school authorities continue their work to implement the Framework throughout the province.
- Began the development of an evolving model of “promising practices” with the goal of better outcomes for children in care with Fetal Alcohol Spectrum Disorder (FASD). A research project involving 126 children and youth in care and their caregivers introduced enhanced service delivery. The research results showed that the promising practices contributed to increased placement stability, school success and fewer absences for these youth. Key findings from the research project will be expanded across the province next year to benefit children in care and their caregivers.
- Provided learning opportunities to further support caregivers, individuals and professionals affected by FASD across their lifespan, including the FASD Learning Series delivered by videoconference sessions to locations around Alberta and across Canada.
- Supported strategic analysis and planning in preventive social services through provision of the Family and Community Support Services (FCSS) Annual Overview Report (for the 2009 calendar year) in collaboration with the FCSS Association of Alberta, Program Advisory Team and the FCSS Directors’ Network. The Overview Report provides information on FCSS expenditures to enable FCSS Programs and the Ministry to analyze trends and plan for future program and service delivery. In the 2009 calendar year, 116 of 206, or 56 per cent of FCSS programs reported municipal over-contributions to their FCSS projects and services. This is an increase of 110 per cent over the previous year.



## Performance Measures

### **PERFORMANCE MEASURE 1A**

***Percentage of licensed day care centres and contracted family day home agencies that are accredited.***

As of March 31, 2011, 81.4 per cent of licensed day care centres and contracted family day home agencies (553 out of 679) achieved the child care accreditation standards of excellence. Through the Ministry's Making Space for Children: Child Care Space Creation Innovation Fund, 43 net new child care programs were created in 2010-11 – most of which are working through the voluntary accreditation process. New programs usually take between 15 and 21 months to complete their accreditation requirements and become accredited. The number of licensed day care programs and family day home agencies participating in accreditation remains extremely high, at more than 96 per cent.

Programs that have been accredited support children's optimal development, provide practitioners with additional tools to support and maintain high-quality services and provide families with further assurance of high-quality care for their children.

### **PERFORMANCE MEASURE 1B**

***Percentage of Albertans who have information to better help in situations of family violence or bullying.***

In 2008, the Ministry conducted an initial survey of Albertans 16 years and older to examine public awareness and understanding of family violence and bullying. This survey was re-administered in January 2010. The results for this measure are based on survey questions about exposure to information about family violence and bullying and the extent this information enabled respondents to feel better able to help in a family violence or bullying situation.

From a sample of 977 respondents, of those who reported that they had seen, read or heard information, 73 per cent felt the information enables them to better help in family violence situations. This result exceeds the target of 67 per cent. Of the same sample, of those who reported that they had seen, read or heard information, 65 per cent felt the information enables them to better help in bullying situations; the target was 67 per cent.

This measure is used to track long-term changes in Albertan's knowledge of family violence and bullying and informs future supports and services. This survey is conducted every two years. The next survey will be re-administered in January 2012, with the results reported in 2011-12.

# Core Business Two:

Preservation and Protection – Preserving families and protecting children and youth

## GOAL 2:

# Families will be supported to provide a safe and healthy environment for children and youth

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## Accomplishments

- Implemented year three of Safe Communities Initiative to support Albertans affected by family violence, particularly Aboriginal and immigrant families and communities.
  - Increased funding to two of nine family violence victim support outreach projects across the province. Five sites served Aboriginal populations and four sites served immigrant populations. From April 2010 to March 2011, 906 Aboriginal and immigrant families, 1,223 adults, 862 children (0 – 12 years old) and 362 youth (13 – 18 years old), including families from 51 different ethnic or originating countries, have been served.
  - Translated family violence and bullying public awareness and education resources into an additional 10 languages.
  - Implemented the provincial Family Violence and Bullying 101 training curriculum for front-line responders (e.g., police, victim services, child intervention caseworkers) dealing with family violence and bullying.
- In partnership with Alberta Health Services and the Calgary Police Service, established the Alberta Vulnerable Infant Response Team (AVIRT) to enhance assessment, support and services for at-risk families with vulnerable infants. Initiative will be expanded to Edmonton in 2011.
- Launched a pilot in partnership with Alberta Education to simplify access and better coordinate services between Family Support for Children with Disabilities (FSCD) and Program Unit Funding. The pilot, which began on September 1, 2010, initially included five Child and Family Services Authorities and 16 school authorities supporting 40 eligible families with the objective of improving access to services, reducing administrative barriers and improving outcomes through a common approach and coordinated delivery system.
- Implemented the seven recommendations from the FSCD Multi-Disciplinary Team (MDT) review including: clarifying policy and procedures as well as enhancing the website to improve information-sharing with families; streamlining access to specialized services; increasing support for parents who participate in the MDT process; and helping ensure province-wide consistency of the process.
- Expanded the Positive Parenting Program (Triple P) to all 46 Parent Link Centres (PLCs) through a \$1 million investment from Safe Communities Initiative. Triple P is an evidence-based parent education and family support program, which helps prevent behavioral and social-emotional developmental problems in children by enhancing the knowledge, skills and confidence of parents.
  - Implemented two pilot projects in Calgary and Area Child and Family Services Authority (CFSA) and Edmonton and Area CFSA for staff of contracted in-home support agencies to deliver Level 4 (individual) and Level 5 (intensive family intervention) Triple P to families receiving child intervention services.

- Approved funding for additional training in Triple P for staff from the five Aboriginal PLCs to increase their capacity to serve families requiring more intensive, individualized services. All PLCs were also provided with additional resources (e.g. videos, workbooks, tip sheets) to support the delivery of the Triple P program to families from diverse cultural groups, including resources specific for Aboriginal families.
- Provided Triple P Stepping Stones training to over 100 service provider agencies and PLC staff across Alberta. Training of these practitioners will increase access to support for families with children with disabilities to assist in managing their children's behaviours.
- Modified Orientation to Kinship Care Training to be more reflective of the issues and circumstances unique to kinship care.
- Renewed focus on the Pediatrics for Kids in Care program in Edmonton and Calgary through strengthened relationships between Child and Family Services Authorities (CFSAs) and medical/health professionals, ensuring children in care have timely access to health assessments and treatment.
- Provided family enhancement services to more than 6,300 children, youth and young adults. Earlier intervention through family enhancement services helps to support families before child protection services are necessary and ensures children can be cared for safely in the family home. These services may also be used to support children who are returning to their family after spending time in care or to support youth and young adults to live independently.

## Performance Measures

### **PERFORMANCE MEASURE 2A**

***Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse.***

Women's emergency shelters provide services and temporary safe places for families who are dealing with family violence to help them become safer and more self-reliant. This measure is based on a women's emergency shelter exit survey conducted between April 1, 2010 and March 31, 2011. It provides an indication of the extent to which shelter services have helped to lessen the vulnerability and reduce the future risk of abuse for women and their children who were shelter residents.

The result reported is in response to the question: "As a result of my shelter stay, I am more able to keep myself (and the children in my care) safer from abuse." The 2010-11 result of 96.8 per cent exceeded the target of 95 per cent.

## **PERFORMANCE MEASURE 2B**

### ***Percentage of foster families who indicate positive impacts for their foster children.***

Every two years, Children and Youth Services conducts a satisfaction survey with foster parents. The intent of the survey is to hear about the experiences of foster parents, in addition to determining whether the program is meeting their needs and the needs of the children in their care.

In 2010-11, 81.1 per cent of Child and Family Services Authority foster parents agreed that the foster care program had a positive impact on the children in their care. This is below the 2010-11 target of 87 per cent and a slight decrease from the last time the survey was conducted (2008-09) when 83.9 per cent of respondents agreed with this statement.

The vast majority of respondents agree that the program had a positive impact on their foster child. Suggestions for improvement to the foster care program given by survey respondents include enhancing financial support, strengthening communication and providing more support and services to foster parents and the children they care for.

Plans are underway to increase the amount of basic maintenance and recreation funding foster parents receive for children in care. This will increase financial support for the everyday things children need, as well as for the recreational opportunities that enhance their well-being.

## **PERFORMANCE MEASURE 2C**

### ***Percentage of families accessing the Family Support for Children with Disabilities program that indicate the services provided had a positive impact on their child.***

The Family Support for Children with Disabilities Program (FSCD) is intended to help families meet the developmental and daily functioning needs of their child. Research indicates that the impact of service provided to a child with a disability increases significantly when the service is family-centred, the family is supported to make decisions for their child and is satisfied with the service received. Parent/guardian perception of service impact on the child (in conjunction with supporting indicators of family support and satisfaction) is a valid indicator to measure the effectiveness of the FSCD program.

In June 2010, the Ministry conducted a survey of families receiving services through the FSCD program to determine their level of satisfaction and the degree to which they felt the program was having a positive impact on their children and family. This survey is conducted every two years. From a total of 2,062 families surveyed, 89.5 per cent agreed that involvement with the FSCD program had a positive impact on their child.

### GOAL 3:

## Children in need will be protected and supported by permanent, nurturing relationships

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### Accomplishments

- Provided 610 Advancing Futures bursaries to youth who are in or from care to pursue post-secondary education. In 2010-11, 79 per cent of students completed their program of study.
- Developed new strategies to better support high risk, focused on providing immediate service and connecting youth with appropriate resources.
- Formed a new partnership with ATB Financial to create the Youth Education Support (YES) program. The program supports six youth who have been in provincial care to pursue post-secondary education, through mentorship opportunities and financial advice.
- In partnership with social services contract agencies, began evaluating implementation of Outcomes-Based Service Delivery within Child and Family Services Authorities (CFSAs) while preparing for broader expansion in regions where phase-in sites currently operate.
- Continued development of an outcomes-based contracting model in partnership with contracted women's shelter directors and Alberta Council of Women's Shelters representatives. This includes the development of a draft outcomes-based logic model and measurement tool to be piloted in 29 emergency shelters for women in 2011-12.
- Began implementing 10 recommendations from the Child Intervention System Review panel's final report to help enhance the safety and well-being of children and families in care and to help make the child intervention system even stronger.
- Participated in cross-ministry initiatives that support vulnerable children and families (Alberta Supports, Success in Schools, Setting the Direction and the Integrated Justice Services Project).
- Worked successfully with community partners to secure permanent families for 551 children who had formerly been in care through adoption and private guardianship (211 through private guardianship and 340 through adoption), exceeding the Ministry's target for the year.
- Provided ongoing financial support for families who adopted or assumed private guardianship for more than 3,200 children.
- Provided support to more than 2,300 families to keep them together by delivering services in their own homes. For 1,200 children who were removed from their home because of safety concerns, the supports and services that were offered to the family led to reunification and a positive outcome of keeping children safe and with their families.

## Performance Measures

### PERFORMANCE MEASURE 3A

#### ***Percentage of children who suffer injury that results in hospitalization<sup>1</sup> or death while receiving protective services.***

This measure describes the proportion of children and youth receiving child protective services who experience an injury that results in hospitalization or in death, regardless of the type of injury (for example, accidental or self-inflicted injuries). Children and youth receiving child protective services may be in the care of the Director of the *Child, Youth and Family Enhancement Act* or under court ordered supervision in the care of their parents.

This measure is based on one of the 10 indicators in the Canadian National Child Welfare Outcomes Indicator Matrix (NOM). This Matrix, used across jurisdictions, provides a common set of indicators and a framework for tracking outcomes for children and families receiving child welfare services (for more information on the NOM please visit: <http://www.cecw-cepb.ca/national-outcomes-matrix>).

In 2010-11, 0.15 per cent of children and youth (20 children) suffered an injury that resulted in hospitalization or death while receiving protective services. Six of the 20 children died. One youth accidentally overdosed; one child was accidentally asphyxiated; one youth was hit by a motor vehicle; one youth and two children were victims of alleged homicides. Of the remaining fourteen children who required hospitalization, one child swallowed a coin, one child fell out of a stroller, one youth sustained a head injury due to a bicycle accident, one child sustained acceleration-deceleration injuries (formerly shaken baby syndrome), one child overdosed due to a prescription medication error, three youth overdosed, two youth attempted to self-harm (by strangulation and stabbing) and four youth were involved in physical altercations. Sixteen of the 20 children were Aboriginal, including five of the six who passed away.

The Ministry has set the target for this measure at zero, the highest possible standard for practice, and is committed to continuous improvement to ensure children receiving protection services are safe. The Ministry continues to review these circumstances to identify trends to inform policy and practice that helps ensure the safety and well-being of children and youth in care. In Canada, more children die annually from injuries than from all childhood diseases combined. Overall, the Ministry's results for this measure are lower than those for the general child population in Alberta (0.49 per cent in 2009-10<sup>2</sup>).

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<sup>1</sup> Hospitalization refers to a child who received medical intervention that required an overnight stay in a hospital.

<sup>2</sup> Estimated based on data from Alberta Health and Wellness and Alberta Justice (Office of the Chief Medical Examiner Unpublished).

### **PERFORMANCE MEASURE 3B**

#### ***Number of children, in the permanent care<sup>3</sup> of the Director, for whom Adoption or Private Guardianship Orders are granted.***

All children and youth have the right to a loving and nurturing home environment and to belong to a family. The *Child, Youth and Family Enhancement Act* places emphasis on securing permanency for children and youth who are not able to return to their parents' care, by encouraging early and ongoing planning for adoption or private guardianship.

Engaging with families and supporting them to address their challenges and needs is a focus of intervention services. There are, however, situations where it becomes necessary to remove children from their natural family to ensure their safety and protection. Although reunification with the natural family is always the desired outcome, there are circumstances that prevent this from occurring for some children. When a child is unable to remain with his or her natural family, alternative permanent familial homes are sought. The permanency plan and placement varies depending on the unique needs of each child.

This performance measure is an indicator of the Ministry's ability to place children who are in the permanent care of the Director of the *Child, Youth and Family Enhancement Act* into stable, long-term, adoptive or private guardianship homes. Permanent care refers to a situation whereby the child is under a legal status of a Permanent Guardianship Order or Permanent Guardianship Agreement. This measure is based on one of the 10 indicators in the Canadian National Child Welfare Outcomes Indicator Matrix.

In 2010-11, 551 children were placed in permanent homes, exceeding the target of 489. Of these, 340 were by Adoption Orders and 211 were under Private Guardianship Orders.

### **PERFORMANCE MEASURE 3C**

#### ***Percentage of children and youth who received child intervention (family enhancement or protective services) and did not require protective services within 12 months of file closure.***

This measure describes the proportion of children who did not require child protection services within 12 months after their child intervention file closure. A child intervention file closure refers to the conclusion of either family enhancement or child protection supports. Child intervention services are designed first and foremost to protect children from further maltreatment and rates of recurrence are a key indicator of the success of these services (Trocmé, N., et al., 2009).

This measure is based on one of the 10 indicators in the Canadian National Child Welfare Outcomes Indicator Matrix (NOM). This Matrix, used across jurisdictions, provides a common set of indicators and a framework for tracking outcomes for children and families receiving child welfare services (for more information on the NOM please visit: <http://www.cecw-cepb.ca/national-outcomes-matrix>).

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<sup>3</sup>Permanent care refers to children in the following legal authorities under the *Child, Youth and Family Enhancement Act*: Permanent Guardianship Orders, Permanent Guardianship Agreements.



In 2010-11, 89 per cent of families who received child intervention services did not require subsequent child protection supports within one year of their file closure. This result exceeds the target of 87 per cent.

Children who may be in need of intervention services are identified from concerns raised by the community or by self referral. Information is then gathered to assess the current situation and plan for how best to address the concern. At the initial stage of involvement with a child, there is a collaborative and thorough assessment. Through this assessment process, the caseworker and family develop a relationship, identify issues and create a plan to address the issues. This thorough assessment ensures children and families receive the targeted and effective services they need when they need them. Services are concluded when it is felt that the issues have been addressed. This collaborative practice helps families feel comfortable seeking assistance before an issue becomes a crisis.

### **PERFORMANCE MEASURE 3D**

#### ***Percentage of adoptive families indicating that their child was well-prepared for adoption.***

Every two years, Children and Youth Services conducts a satisfaction survey with adoption applicants. The purpose of the survey is to hear about the experiences of applicants with the adoption program, in addition to determining whether the adoption program is meeting the needs of applicants.

Foster parents and kinship caregivers who have applied to adopt a child they have cared for are invited to participate in the survey, in addition to applicants who have applied for a regular adoption, where they are matched with a child in need of a permanent family.

Respondents who had applied for a regular adoption (where they were matched with a child) and who had a child placed with them at the time of the survey were asked about whether or not they felt their child had been well prepared for adoption. This particular group was selected for this question because issues around preparation and support are different when the adoptive parents are known to the child, compared to when they are not.

In 2010-11, 74.8 per cent of respondents agreed that their child was well prepared for adoption. This is lower than the 2010-11 target for the measure (84 per cent), and a decrease from the last time the survey was conducted (2008-09), when 83 per cent of respondents agreed with this statement.

The increasing complexity of issues that children in care are dealing with adds to the challenges associated with this measure. Children with greater needs, due to their level of functioning, age, or previous trauma, for example, are increasingly participating in the adoption matching process. Preparation and support for adoption are done in a way that meets each individual child's needs, at a speed that is appropriate for him or her. This preparation does not end with the placement of the child into an adoptive family. As relationships develop, and if issues emerge after the adoption order is finalized, support is provided through the Supports for Permanency program.

### **PERFORMANCE MEASURE 3E**

#### ***Percentage of youth receiving Advancing Futures Bursaries who successfully completed their planned studies during the fiscal year.***

Advancing Futures assists youth who have been or continue to be in the care of Children and Youth Services. Currently, 3,790 youth in care or formerly in care, between the ages of 18-22, meet the eligibility criteria for Advancing Futures, a 10.3 per cent increase over the 2009-10 fiscal year. The program provides funding to support youth in achieving their educational goals and leads them to obtaining meaningful employment. Youth are invited to apply if they would like to obtain their high school General Equivalency Diploma, upgrade through adult education or enroll in a post-secondary school for a degree, diploma or trade certificate.

During the 2010-11 fiscal year, 610 youth were approved to receive a bursary. This is an eight per cent increase over the 2009-10 fiscal year and 130 per cent increase in students compared to the number of students in the program the year the program began in 2004-05. Of the students receiving an Advancing Futures bursary, 79 per cent successfully completed their planned studies during the 2010-11 fiscal year.

Advancing Futures takes a strength-based approach to supporting youth and recognizes the potential of students to reach their educational goals and overcome challenges they may face. Measuring the percentage of youth successfully completing their planned studies provides Advancing Futures with the opportunity to assess both the students' and program's success.

# Core Business Three:

Partnerships – Working with communities to build relationships and share planning and decision making to improve outcomes

#### GOAL 4:

The well-being and self-reliance of Aboriginal children, youth, families and communities will be promoted and supported.

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#### Accomplishments

- Initiated the inaugural Gathering Today for Our Aboriginal Children's Future meeting in June 2010. The event marked the first time Chairs of Delegated First Nation Agencies, Co-Chairs of Child and Family Service Authorities (CFSAs) and representatives of First Nations served by CFSAs met together to specifically discuss enhancing services for Aboriginal children in care. A subsequent meeting held in November 2010 demonstrated ongoing commitment to empowering Aboriginal families and communities when caring for their children. Subsequent meetings at the governance and operational levels have focused on urban Aboriginal issues, the need to build stronger relationships, support for children living off-reserve to maintain cultural, community and familial connections and ways to increase opportunities for family reunification.
- In response to a recommendation from the Child Intervention System Review Panel, created a new Aboriginal Policy and Initiatives division and Assistant Deputy Minister position to provide senior leadership and help enhance the Ministry's capacity to support Aboriginal children and families.
- Initiated discussions with First Nations Chiefs and Aboriginal Relations on the creation of a Memorandum of Understanding between the province, First Nations and the federal government to support First Nations children and families.
- Continued supported for kinship care as a permanent placement option for Aboriginal children, giving them the opportunity to maintain a strong connection with their family, community and culture.
- The department, Métis Settlements CFSA and the Métis Nation of Alberta Association (MNAA) completed a feasibility study work plan regarding a Provincial Métis Child and Family initiative. The plan identifies potential policy and practice changes and identifies the challenges and opportunities of working together to improve outcomes for Métis children in care.
- Métis Settlements CFSA and the MNAA co-chaired a steering committee that is exploring ways to improve service delivery for Métis children and promote positive connections to their families, communities and culture.

## Performance Measures

### PERFORMANCE MEASURE 4A

#### ***Percentage of Aboriginal children in foster care/kinship care who are placed<sup>4</sup> with Aboriginal families<sup>5</sup>.***

This measure is an indicator of Aboriginal children and youth who are supported to maintain cultural connections through foster care or kinship care. It is a very difficult decision to remove a child from their biological family and bring the child into care. When it is necessary to bring an Aboriginal child into care, attempts are made to place the child in their community, with extended family, individuals emotionally connected to the child or a family of a similar Aboriginal background.

This measure is based on one of the 10 indicators in the Canadian National Child Welfare Outcomes Indicator Matrix (NOM). This Matrix, used across jurisdictions, provides a common set of indicators and a framework for tracking outcomes for children and families receiving child welfare services (for more information on the NOM please visit: <http://www.cecw-cepb.ca/national-outcomes-matrix>).

In 2010-11, 40.7 per cent of Aboriginal children in foster or kinship care were placed with Aboriginal families. This result falls below the target of 50 per cent. However, results have been gradually and steadily improving since 2005-06.

The steady increase reflects the importance placed on maintaining cultural connections. As well, it reflects the commitment to placing Aboriginal children in Aboriginal homes while ensuring that children are placed in safe environments.

Kinship care is a placement with extended family or others who have a significant relationship with the child. It is often the preferred option for placement, particularly for Aboriginal families, given the pre-existing relationship between the child and caregivers and the maintenance of important cultural ties.

The Ministry has invested in an ongoing provincial recruitment campaign for additional caregivers, with a particular focus on Aboriginal caregivers (foster parents and kinship caregivers). Challenges in recruiting caregivers could be due to more caregivers adopting the children in their home or retiring from caregiving. It could also be due to the changing demographics of Canadian families: there are more lone parent families and more families where both parents work. These families may not have the time or capacity to care for foster children.

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<sup>4</sup>Placement refers to the primary location (parental or extended family home, adoptive home, foster home, group home or treatment centre) in which a child or youth receiving intervention services resides. Placements can range from one day to an indefinite period of time.

<sup>5</sup>The data source used for this measure provides information on a child's racial origin. For this measure, a foster or kinship care family is determined to be Aboriginal when the foster care home is denoted as Aboriginal or the caregiver's racial origin is identified as Aboriginal in CYIM.

## GOAL 5:

# Communities are responsive to the needs of vulnerable children, youth and families

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## Accomplishments

- Expanded the Outcomes-Based Service Delivery (OBSD) Initiative, establishing pilot sites in seven Child and Family Service Authorities. The primary goal of OBSD is to improve outcomes for vulnerable children and families by strengthening both government practice and relationships with the contracted agency sector. This initiative has resulted in some promising trends for children and families, including children remaining at home with their families while receiving services, shorter and more focused Child Intervention Services involvement, and families becoming more engaged and feeling more supported in the process. These trends will be reviewed to assess improvement in the longer term. Government is partnering with the Alberta Centre for Child, Family and Community Research on both the long- and short-term evaluation of OBSD.
- Increased the capacity of communities to provide mentoring to children and youth through the Alberta Mentoring Partnership (AMP) website ([www.albertamentors.ca](http://www.albertamentors.ca)), which provided on-line training and social marketing tools for local mentoring programs. The AMP has contributed to a 21 per cent increase in the number of mentors in Big Brothers Big Sisters organizations across the province.
- Worked with partnering ministries in the Alberta Child and Youth Initiative to provide a forum to explore policy issues related to improving outcomes of children, youth and families including Action on Inclusion, collaboration with the Alberta Mentoring Partnership and the Norlien Foundation on its work on Early Brain and Biological Development.
- Achieved progress on the Child and Youth Data Lab Initiative, a partnership of nine government ministries that supports evidence based policy decisions by providing research about how children, youth and their families are accessing various programs across the government and how their well-being is improved as a result. This year, the technical infrastructure needed to conduct the research in this initiative was completed.
- Implemented public awareness and education initiatives to increase awareness and understanding of family violence and supports available for families, including print resources and radio and television advertisements. All advertising highlighted the Family Violence Information Line (310-1818), available toll-free 24 hours a day, seven days a week to all Albertans, which provides help in over 170 languages. From April 2010 to March 2011, the Family Violence Information Line supported 2,046 callers. In addition, the family violence website ([familyviolence.alberta.ca](http://familyviolence.alberta.ca)) which provides information and resources, received 87,919 visits.
- Began development of a Family Violence Client-Centred Response to improve coordination of existing services and supports for individuals and families affected by family violence. Initial development included consultations with more than 250 family violence service providers in eight Alberta communities. Stakeholder feedback will be included in further development of a Family Violence Client Centred Response.

- Implemented priorities from the provincial Prevention of Bullying Strategy, including a world wide bullying prevention discussion/webcast “Stitches – Bullying Prevention Youth Forum and Webcast” during National Bullying Awareness Week in November 2010. About 400 students, staff and community members participated.
- Hosted two community forums to engage approximately 70 community stakeholders in taking action to address bullying through knowledge and resource sharing.
- Promoted and advertised bullying prevention resources including three interactive websites for children ([www.b-free.ca](http://www.b-free.ca)), youth ([www.teamheros.ca](http://www.teamheros.ca)) and adults ([www.bullyfreealberta.ca](http://www.bullyfreealberta.ca)), which received 490,949 visits. The Bullying Helpline (1-888-456-2323) - available toll-free 24 hours a day, seven days a week - supported 483 callers in more than 170 languages.
- Through collaboration with partnering ministries and community organizations:
  - Partnered with other ministries and communities to improve access to existing programs and services and identify gaps in services for high-risk youth. The Ministry provided 12 community-based grants totaling \$410,000 and connected 12 more youth serving organizations to funding totaling \$476,000 from Alberta Justice’s, Civil Forfeiture Office and Safe Communities Initiative.
  - Worked with community partners to develop a Housing First program in Lethbridge for youth who are in need of housing.
  - Provided feedback for services that support homeless youth or youth at-risk of homelessness, for inclusion on the Alberta Supports Web Portal.
- Recruited 18 youth from across Alberta, including Aboriginal and immigrant youth, current and former youth in care and youth who have experienced high-risk behaviours, to serve a one-year term on the 2010-11 Youth Advisory Panel. Youth Advisory Panel members participated in the Premier’s Council on Economic Strategy’s youth input session, the Great Kids Awards and the Mobilizing for Safe Communities Conference.
- Recognized the contributions and success of children and youth across Alberta by awarding 16 Great Kids Awards from 164 nominees.
- Increased Alberta’s Promise partnership base to 1,220 partners including businesses, agencies and communities. Alberta’s Promise continued to rally its partners and Premier’s Council members to support the Alberta Mentoring Partnership, which helps link youth with positive role models in their community.
- Consulted with local Family and Community Support Services (FCSS) board members and program staff to help develop the Ministry Business Plan. FCSS board members and staff provided valuable information on current issues, emerging trends and local priorities to address the needs of vulnerable children, youth and families in communities across Alberta.

## Performance Measures

### **PERFORMANCE MEASURE 5A**

#### ***Percentage of expenditures in the children/youth/families project and service category of Family and Community Support Services.***

The Ministry, participating municipalities and Métis Settlements jointly fund preventive social programs through Family and Community Support Services (FCSS) that serve all age groups, including seniors. Programs and services provided by FCSS help ensure that Alberta's children and families have access to a strong network of prevention supports before there is a need for crisis intervention.

Municipalities and Métis Settlements collectively expended 42.1 per cent of their FCSS funding on services for children, youth and families (Section 2, Categories A and B of the Annual FCSS Program Report). This result was below the 2010-11 target of 50 per cent.

Local autonomy is a key FCSS Program principle. Since each participating municipality or Métis Settlement determines how best to allocate its funding to serve community needs, some fluctuation in meeting the projected target is expected. The result represents expenditures of \$46.9 million in the children/youth/families categories in 2009. Expenditures reported in all FCSS project and service categories totaled \$111.3 million (the Ministry contributed \$74.4 million, and municipalities, Métis Settlements and other revenue sources contributed \$36.8 million).



# Ministry Financial Analysis

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## Results of Operations

The Ministry of Children and Youth Services managed its expenses within the 2010-11 authorized budget of \$1.18 billion (includes \$70.8 million supplementary estimates), ending the year with a surplus of \$0.80 million or 0.07 per cent.

In 2010-11, the Ministry's total spending increased by \$36.6 million or 3.2 per cent compared to previous year. This is consistent with the approved budget and supplementary estimate increases in 2010-11 for the delivery of core programs.

## Comparison of 2010-11 Authorized Budget to 2010-11 Actuals

- **Core Business 1: Prevention - Promoting the development and well-being of children, youth and families**

Core Business 1 was \$0.7 million under budget. This is due to less than anticipated costs in the Fetal Alcohol Spectrum Disorder (FASD) Initiatives and Prevention of Family Violence and Bullying programs, partially offset by increased spending in Child Care, Parenting Resource Initiative and Youth in Transition programs.

The FASD program was \$1.5 million under budget because of delays in implementing initiatives such as cross-ministry evaluation of the FASD networks, electronic data collection tools, etc.

The Prevention of Family Violence and Bullying was \$1.5 million under budget due to the deferral of planned initiatives, including public awareness, education initiatives and evaluation activities.

The Child Care authorized budget was \$1.2 million over spent as a result of an increase in the demand for subsidies in licensed and approved child care spaces. The Creating Child Care Choice plan created more than 19,000 spaces over the past three years, increasing the demand for subsidies.

A total of \$1.0 million was over spent in both the Parenting Resources Initiatives and Youth in Transition programs as a result of increased programming initiatives for Parent Link Centres and an increase in the uptake and tuition costs for Advancing Futures bursary students.

- **Core Business 2: Preservation and Protection - Preserving families and protecting children and youth**

Core Business 2 was \$3.5 million or 0.5 per cent over spent as a result of increases in Child Intervention Services costs, which were partially offset by under expenditures in Foster Care Support, Family Support for Children with Disabilities (FSCD), Protection of Sexually Exploited Children and Child and Youth Advocate programs.

The Child Intervention program was \$6.2 million over budget. Additional expenses were incurred to adjust funding to Siksika Family Services Corporation to be in line with the costs of delivering off-reserve services.

The FSCD program expenses were \$1.0 million under budget due to the deferral of initiatives such as program enhancement, which includes the development of staff training; expansion of Positive Parent Program also known as Triple P Stepping Stones; and changes to Multi-Disciplinary Teams process which recommends the appropriate type and level of services required based on a child's needs.

The Foster Care Support program was \$1.0 million or 0.6 per cent under budget, as fewer foster parents were recruited in the fiscal year than was anticipated.

The Protection of Sexually Exploited Children program was \$0.8 million under budget due to a reduction in caseloads and administrative costs.

- **Core Business 3: Partnership - Working with communities to build relationships and share planning and decision making to improve outcomes**

Core Business 3 was \$1.4 million under budget primarily due to savings in Alberta's Promise program.

Alberta's Promise program was \$1.1 million under budget due to delays in recruitment of senior level positions and other staff vacancies. Alberta's Promise identifies priority needs and issues, and aims to educate the funding community as to where best to invest their resources for the greatest impact.

- **Support Services:**

The Support Services was \$1.9 million under spent as a result of staff turnover and delays in Information Technology initiatives.

## Comparison of 2010-11 Actuals to 2009-10 Comparable Actuals

- **Core Business 1: Prevention - Promoting the development and well being of children, youth and families.**

The increase of \$14.4 million is due to increase in Child Care expenses. The success of the Creating Child Care Choices plan caused an increase in the demand for subsidies in licensed and approved child care programs and strong participation of child care programs in the Alberta Child Care Accreditation Funding Program.

There were also increases in Parenting Resource Initiatives to address demand in Parent Link Centres and Fetal Alcohol Spectrum Disorder Initiatives, as more people accessed the services provided. This was partially offset by a decrease in expenditures, as the Community Incentive Funding in 2010-11 was discontinued under the Prevention of Family Violence and Bullying program.

- **Core Business 2: Preservation and Protection – Preserving families and protecting children and youth.**

The increase of \$23.4 million is primarily due to increases in the Child Intervention Services program. Front end assessment, support for permanency and other high cost placements for intervention cases with specialized needs increased expenditures. Also, Foster Care Support experienced increased placements in both foster and kinship care; Family Support for Children with Disabilities costs-per-case increased, as specialized cases such as Autism rose.

- **Core Business 3: Partnership – Working with communities to build relationships and share planning and decision making to improve outcomes.**

The Core Business 3 expenditure in 2010-11 was similar to 2009-10, with a slight increase in Family and Community Support Services.

- **Support Services:**

The expenditure for 2010-11 was \$1.8 million lower because of staff vacancies and the impact of the government-wide hiring restraint on non-frontline staff.

- **Statutory:**

Valuation Adjustments and other provisions was \$0.8 million lower than budgeted. Provisions for employee vacation pay was reduced as a result of the government-wide hiring restraint.



# Financial Information



MINISTRY OF CHILDREN AND YOUTH SERVICES

# CONSOLIDATED FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Members of the Legislative Assembly

### **Report on the Consolidated Financial Statements**

I have audited the accompanying consolidated financial statements of the Ministry of Children and Youth Services, which comprise the consolidated statement of financial position as at March 31, 2011, and the consolidated statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Ministry of Children and Youth Services as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 9, 2011  
Edmonton, Alberta



**MINISTRY OF CHILDREN AND YOUTH SERVICES  
CONSOLIDATED STATEMENT OF OPERATIONS**

Year ended March 31, 2011

	(In thousands)		
	<b>2011</b>		<b>2010</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Schedule 3)		
<b>Revenues (SCHEDULE 1)</b>			
Internal Government Transfers	\$ 63,500	\$ 63,500	\$ 63,500
Transfers from Government of Canada	311,358	313,315	314,814
Other Revenue	6,910	16,471	9,934
	<u>381,768</u>	<u>393,286</u>	<u>388,248</u>
<b>Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 6)</b>			
<b>Voted (SCHEDULES 2, 3, AND 4)</b>			
<b>Prevention - Promoting the development and well being of children, youth and families</b>			
Child Care	198,316	218,967	203,878
Prevention of Family Violence and Bullying	39,106	37,718	40,367
Parenting Resources Initiative	24,093	24,838	23,977
Fetal Alcohol Spectrum Disorder Initiative	18,290	16,806	15,911
Youth in Transition	6,830	7,110	6,882
	<u>286,635</u>	<u>305,439</u>	<u>291,015</u>
<b>Preservation and Protection - Preserving families and protecting children and youth</b>			
Child Intervention	382,015	428,164	410,810
Foster Care Support	162,852	165,807	161,385
Family Support for Children with Disabilities	119,798	125,753	123,701
Protection of Sexually Exploited Children	6,374	5,620	6,122
Child and Youth Advocate	7,173	7,332	7,233
	<u>678,212</u>	<u>732,676</u>	<u>709,251</u>
<b>Partnership - Working with communities to build relationships and share planning and decision making to improve outcomes</b>			
Family and Community Support Services	75,684	75,414	75,220
Child and Family Research	2,000	2,000	2,000
Alberta's Promise	1,578	470	622
	<u>79,262</u>	<u>77,884</u>	<u>77,842</u>
<b>Support Services</b>			
Ministry Support	17,996	17,023	16,875
Program Support	38,295	37,510	39,464
Amortization of Capital Assets	3,600	1,739	1,771
	<u>59,891</u>	<u>56,272</u>	<u>58,110</u>
<b>Statutory</b>			
Valuation adjustments and Other Provisions	1,500	1,246	2,083
<b>Total Expenses</b>	<u>1,105,500</u>	<u>1,173,517</u>	<u>1,138,301</u>
<b>Net Operating Results</b>	<u>\$ (723,732)</u>	<u>\$ (780,231)</u>	<u>\$ (750,053)</u>

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

**MINISTRY OF CHILDREN AND YOUTH SERVICES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2011

	(In thousands)	
	<b>2011</b>	<b>2010</b>
	Actual	Actual
<b>Assets</b>		
Cash	\$ 45,106	\$ 49,104
Accounts Receivable (NOTE 3)	12,837	10,334
Prepaid Expenses	85	90
Advances	7	5
Tangible Capital Assets (NOTE 4)	17,027	14,987
	<b>\$ 75,062</b>	<b>\$ 74,520</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (NOTE 5)	\$ 114,672	\$ 97,036
	114,672	97,036
<b>Net Liabilities</b>		
Net Liabilities at Beginning of Year	(22,516)	(26,310)
Net Operating Results	(780,231)	(750,053)
Net Financing Provided from General Revenues	763,137	753,847
Net Liabilities at End of Year	(39,610)	(22,516)
	<b>\$ 75,062</b>	<b>\$ 74,520</b>

Contractual obligations and contingent liabilities (Notes 6 and 7)

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

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(In thousands)	
	<b>2011</b>	<b>2010</b>
<b>Operating Transactions</b>		
Net Operating Results	\$ (780,231)	\$ (750,053)
Non-Cash Items included in Net Operating Results:		
Amortization (Schedule 2)	1,739	1,771
Valuation Adjustments (NET) (Schedule 2)	1,246	2,083
	<u>(777,246)</u>	<u>(746,199)</u>
 (Increase) in Accounts Receivable <sup>(a)</sup>	(2,836)	(1,237)
Decrease (Increase) in Prepaid Expenses	5	(49)
(Increase) Decrease in Advances	(2)	266
Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	16,723	4,449
Cash Applied to Operating Transactions	<u>(763,356)</u>	<u>(742,770)</u>
 <b>Capital Transactions</b>		
Cash Applied to Capital Transactions <sup>(b)</sup>	(3,779)	(2,346)
 <b>Financing Transactions</b>		
Net Financing Provided from General Revenues	<u>763,137</u>	<u>753,847</u>
 <b>(Decrease) Increase in Cash</b>	(3,998)	8,731
 <b>Cash, Beginning of Year</b>	49,104	40,373
 <b>Cash, End of Year</b>	<u><u>\$ 45,106</u></u>	<u><u>\$ 49,104</u></u>

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

<sup>(b)</sup> Includes Tangible Capital Assets Transferred to Ministry of Employment and Immigration \$0(2010-\$34).

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

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 AUTHORITY, PURPOSE AND OPERATIONS**

The Minister of Children and Youth Services has been designated as responsible for various Acts by the *Government Organization Act* and its regulations. The Ministry consists of the organizations listed below.

<b>Organization</b>	<b>Legislation</b>
Department of Alberta Children and Youth Services	<i>Government Organization Act</i>
10 Child and Family Services Authorities	<i>Child and Family Services Authorities Act</i>

The Ministry is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES**

These Financial Statements are prepared in accordance with Canadian public sector accounting standards.

**(a) Reporting Entity**

The reporting entity is the Ministry of Children and Youth Services for which the Minister of Children and Youth Services is accountable. The accounts of the Ministry and the Child and Family Services Authorities are consolidated.

All ministries of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of ministries are deposited into the Fund and all cash disbursements made by ministries are paid from the Fund. Net financing provided (for) 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 basis of accounting.

## MINISTRY OF CHILDREN AND YOUTH SERVICES NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (CONTINUED)

The accounts of the organizations listed in Note 1 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.

#### **Internal Government Transfers**

Internal government transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

#### **Transfers from Government of Canada**

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amount can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

#### **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.

In addition to program operating expenses such as 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.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(CONTINUED)**

Incurring by Others

Services contributed by other entities in support of the Ministry's operations not recognized and are disclosed in Schedule 5 and allocated to programs in schedule 6.

**Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. Amortization is only charged if the asset is in use. The threshold for capitalizing new systems development is \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000. All land is capitalized.

**Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

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

**Net Liabilities**

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

MINISTRY OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 3 ACCOUNTS RECEIVABLE**  
(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 11,750	\$ 1,881	\$ 9,869	\$ 8,511
Refunds from Suppliers	2,968	-	2,968	1,823
	\$ 14,718	\$ 1,881	\$ 12,837	\$ 10,334

Accounts receivable are unsecured and non-interest bearing.

**NOTE 4 TANGIBLE CAPITAL ASSETS**  
(in thousands)

	Computer Hardware and Equipment*			2010 Total
	5 years	5 years	2011 Total	2010 Total
<b>Estimated Useful Life</b>	5 years	5 years		
<b>Historical Costs**</b>				
Beginning of year	\$ 743	\$ 33,425	\$ 34,168	\$ 34,492
Additions	104	3,675	3,779	2,346
Disposal, including write downs	(58)	-	(58)	(670)
	\$ 789	\$ 37,100	\$ 37,889	\$ 36,168
<b>Accumulated Amortization</b>				
Beginning of year	\$ 554	\$ 18,627	\$ 19,181	\$ 18,080
Amortization Expense	58	1,681	1,739	1,771
Effect of Disposals	(58)	-	(58)	(670)
	\$ 554	\$ 20,308	\$ 20,862	\$ 19,181
<b>Net Book Value at March 31, 2011</b>	\$ 235	\$ 16,792	\$ 17,027	
<b>Net Book Value at March 31, 2010</b>	\$ 189	\$ 14,798		\$ 14,987

\* Equipment includes office equipment, furniture and other equipment.

\*\* Historical costs include work-in-progress at March 31, 2011 totalling \$3,675 comprised of computer software (2010 - \$2328).

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES  
(in thousands)**

	<u>2011</u>	<u>2010</u>
Trade	\$ 21,678	\$ 18,808
Government of Canada	13,206	13,711
Grants	40,282	31,532
Vacation Pay	24,415	23,502
Other	15,091	9,483
	<u>\$ 114,672</u>	<u>\$ 97,036</u>

**NOTE 6 CONTRACTUAL OBLIGATIONS  
(in thousands)**

The Ministry contracts with organizations to provide specific programs and services for children under the care of the Ministry. The Ministry has contracts for specific programs and services for the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

At March 31, 2011 the Ministry has the following contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases	\$ -	\$ 64

**NOTE 7 CONTINGENT LIABILITIES  
(in thousands)**

At March 31, 2011, the Ministry is a defendant in seventy-two legal claims (2010 – sixty-eight legal claims). Seventy of these claims have specified amounts totaling \$1,616,590 and the remaining two have no specified amount (2010 – sixty-seven claims with a specified amount of \$1,566,561 and one with no specified amount).

Included in the total legal claims are forty-seven claims amounting to \$1,420,259 (2010 – forty-two amounting to \$1,402,414) in which the Ministry has been jointly named with other entities. Forty-nine claims amounting to \$996,586 (2010 – forty-eight claims amounting to \$970,292) are covered by the Alberta Risk Management Fund.

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



**MINISTRY OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 8 TRUST FUNDS UNDER ADMINISTRATION  
(in thousands)**

The Ministry administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purpose described below, it is not included in the Ministry's financial statements.

At March 31, 2011 the trust fund under administration is as follows:

	<u>2011</u>	<u>2010</u>
Child Resource Rebate Trust Fund	<u>\$ 975</u>	<u>\$ 1,252</u>

The Province of Alberta paid a \$400 resource rebate to all Alberta residents as of September 1, 2005. The Director of the *Child, Youth and Family Enhancement Act* administers these funds for eligible children in the Director's care.

Each child's resource rebate may be used for a child's special needs that are over and above those that the Ministry provides.

The Director will release the funds to the:

- child's guardian/parent if a special need is identified and they can purchase goods and/or services to benefit the child, or
- child when the child turns 18 years of age, or
- General Revenue Fund, if a child cannot be located for 2 years after the child turns 18. At that time, the Director's obligation to pay the refund lapses.

**NOTE 9 BENEFIT PLANS  
(in thousands)**

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$24,272 for the year ended March 31, 2011 (2010- \$20,656).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – deficiency \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 deficiency - \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency \$39,516).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 - deficiency \$8,335) and the Management, Opted Out and Excluded Plan had an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

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

MINISTRY OF CHILDREN AND YOUTH SERVICES  
 CONSOLIDATED SCHEDULE TO FINANCIAL STATEMENTS

Revenues

Year ended March 31, 2011

SCHEDULE 1

	<b>2011</b>		<b>2010</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Internal Government Transfers</b>			
Contribution from Lottery Fund	<u>\$ 63,500</u>	<u>\$ 63,500</u>	<u>\$ 63,500</u>
 <b>Transfers from Government of Canada</b>			
Canada Social Transfer	269,637	267,457	270,979
Services on First Nations Reserves	17,857	21,681	19,573
National Child Special Allowance	23,864	24,177	24,262
	<u>311,358</u>	<u>313,315</u>	<u>314,814</u>
 <b>Other Revenue</b>			
Refunds of Expenditure			
First Nations Agencies Recoveries	883	992	891
Other Refunds	2,386	13,836	7,833
Other	3,641	1,643	1,210
	<u>6,910</u>	<u>16,471</u>	<u>9,934</u>
<b>Total Revenues</b>	<u><u>\$ 381,768</u></u>	<u><u>\$ 393,286</u></u>	<u><u>\$ 388,248</u></u>

**MINISTRY OF CHILDREN AND YOUTH SERVICES**  
**CONSOLIDATED SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 2**

	(In thousands)		
	2011		2010
	Budget	Actual	Actual
<b>Voted:</b>			
Salaries, Wages and Employee Benefits	\$ 248,226	\$ 255,146	\$ 245,607
Supplies and Services	447,670	485,664	486,426
Supplies and Services from Support Service Arrangements with Related Parties (a)	-	730	917
Grants	404,364	428,789	401,402
Financial Transactions and Other	140	203	143
Amortization of Capital Assets	3,600	1,739	1,771
Total Voted Expenses before Recoveries	<u>1,104,000</u>	<u>1,172,271</u>	<u>1,136,266</u>
Less Recovery from Support Service Arrangements with Related Parties (b)	-	-	(48)
	<u>\$ 1,104,000</u>	<u>\$ 1,172,271</u>	<u>\$ 1,136,218</u>
<b>Statutory:</b>			
Valuation Adjustments	1,500	-	-
Provision for Vacation Pay	-	913	1,502
Provision for Doubtful Accounts	-	333	581
Total Statutory Expenses	<u>\$ 1,500</u>	<u>\$ 1,246</u>	<u>\$ 2,083</u>

(a) The Ministry receives human resources, information technology, financial and other administrative support services from the Ministry of Employment and Immigration and from the Ministry of Seniors and Community Supports.

(b) The Ministry provides operational human resources services to the Ministry of Seniors and Community Supports. Costs incurred by the Ministry for these services are recovered from the Ministry of Seniors and Community Supports.

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
CONSOLIDATED SCHEDULE TO FINANCIAL STATEMENTS  
Budget**

Year ended March 31, 2011

**SCHEDULE 3**

(In thousands)

	2010-2011 Estimates	Adjustments	2010-2011 Budget	Authorized Supplementary <sup>(a)</sup>	2010-2011 Authorized Budget
<b>Revenues</b>					
Transfers from the Government of Canada	\$ 311,358	-	\$ 311,358	-	\$ 311,358
Internal Government Transfers	63,500	-	63,500	-	63,500
Other	6,910	-	6,910	-	6,910
	<u>381,768</u>	-	<u>381,768</u>	-	<u>381,768</u>
<b>Expenses - Directly Incurred:</b>					
Voted					
Prevention - Promoting the development and well being of Children, youth and families	286,635	-	286,635	19,500	306,135
Preservation and Protection - Preserving families and protecting children and youth	678,212	-	678,212	51,000	729,212
Partnership - Working with communities to build relationships and share planning and decision making to improve outcomes	79,262	-	79,262	-	79,262
Support Services	59,891	-	59,891	(1,700)	58,191
	<u>1,104,000</u>	-	<u>1,104,000</u>	<u>68,800</u>	<u>1,172,800</u>
Statutory					
Valuation Adjustments	1,500	-	1,500	-	1,500
	<u>1,500</u>	-	<u>1,500</u>	-	<u>1,500</u>
<b>Total Expenses</b>	<u>1,105,500</u>	-	<u>1,105,500</u>	<u>68,800</u>	<u>1,174,300</u>
<b>Net Operating Results</b>	<u>\$ (723,732)</u>	-	<u>\$ (723,732)</u>	<u>\$ (68,800)</u>	<u>\$ (792,532)</u>
<b>Equipment /Inventory Purchases</b>	<u>\$ 1,800</u>	-	<u>\$ 1,800</u>	<u>\$ 2,000</u>	<u>\$ 3,800</u>

**MINISTRY OF CHILDREN AND YOUTH SERVICES**  
**CONSOLIDATED SCHEDULE TO FINANCIAL STATEMENTS**  
**SCHEDULE 4**  
**Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget**

Year ended March 31, 2011

	2010-2011 Estimates	Adjustments	2010-2011 Budget	Authorized Supplementary	Authorized Budget	2010-2011 Actual Expense	Unexpended (Over Expended)
<b>Voted:</b>							
<b>Prevention - Promoting the development and well being of children, youth and families</b>							
Child Care	\$ 198,316	\$ -	\$ 198,316	\$ 19,500	\$ 217,816	\$ 218,967	\$ (1,151)
Prevention of Family Violence and Bullying	39,106	-	39,106	-	39,106	37,718	1,388
Parenting Resources Initiative	24,093	-	24,093	-	24,093	24,838	(745)
Fetal Alcohol Spectrum Disorder Initiatives	18,290	-	18,290	-	18,290	16,806	1,484
Youth in Transition	6,830	-	6,830	-	6,830	7,110	(280)
	<b>286,635</b>	<b>-</b>	<b>286,635</b>	<b>19,500</b>	<b>306,135</b>	<b>305,439</b>	<b>696</b>
<b>Preservation and Protection - Preserving families and protecting children and youth</b>							
Child Intervention Services	382,015	-	382,015	40,000	422,015	428,164	(6,149)
Foster Care Support	162,852	-	162,852	4,000	166,852	165,807	1,045
Family Support for Children with Disabilities	119,798	-	119,798	7,000	126,798	125,763	1,045
Protection of Sexually Exploited Children	6,374	-	6,374	-	6,374	5,620	754
Child and Youth Advocate	7,173	-	7,173	-	7,173	7,332	(159)
	<b>678,212</b>	<b>-</b>	<b>678,212</b>	<b>51,000</b>	<b>729,212</b>	<b>732,676</b>	<b>(3,464)</b>
<b>Partnership - Working with communities to build relationships and share planning and decision making to improve outcomes</b>							
Family and Community Support Services	75,684	-	75,684	-	75,684	75,414	270
Child and Family Research	2,000	-	2,000	-	2,000	2,000	-
Alberta's Promise	1,578	-	1,578	-	1,578	470	1,108
	<b>79,262</b>	<b>-</b>	<b>79,262</b>	<b>-</b>	<b>79,262</b>	<b>77,884</b>	<b>1,378</b>
<b>Support Services</b>							
Ministry Support	17,996	-	17,996	-	17,996	17,023	973
Program Delivery Support	38,295	-	38,295	-	38,295	37,510	785
Amortization of Capital Assets	3,600	-	3,600	(1,700)	1,900	1,739	161
	59,891	-	59,891	(1,700)	58,191	56,272	1,919
	1,800	-	1,800	2,000	3,800	3,779	21
<b>Equipment/Inventory Purchases</b>							
<b>Total Voted Expenditures</b>	<b>1,105,800</b>	<b>-</b>	<b>1,105,800</b>	<b>70,800</b>	<b>1,176,600</b>	<b>1,176,050</b>	<b>550</b>
<b>Statutory:</b>							
Valuation Adjustments and Other Provisions	1,500	-	1,500	-	1,500	1,246	254
<b>Total Expenses</b>	<b>\$ 1,107,300</b>	<b>\$ -</b>	<b>\$ 1,107,300</b>	<b>\$ 70,800</b>	<b>\$ 1,178,100</b>	<b>\$ 1,177,296</b>	<b>\$ 804</b>

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
CONSOLIDATED SCHEDULE TO FINANCIAL STATEMENTS  
Related Party Transactions**

**SCHEDULE 5**

Year ended March 31, 2011

Related parties are those entities consolidated or accounted for on the 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 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:

	(In thousands) Other Entities	
	2011	2010
<b>Revenues:</b>		
Internal Government Transfers	\$ 63,500	\$ 63,500
Ministry of Education - School Divisions	675	2,591
Ministry of Seniors & Community Supports	105	36
Ministry of Alberta Justice & Attorney General	12	10
	<u>\$ 64,292</u>	<u>\$ 66,137</u>
<b>Expenses:</b>		
Ministry of Service Alberta	\$ 2,326	\$ 2,261
Ministry of Seniors and Community Support	37	-
Ministry of Alberta Infrastructure	30	19
Ministry of Finance and Enterprise	1,605	1,546
Ministry of Health & Wellness - Health Authorities	2,561	2,685
Ministry of Solicitor General and Public Security	21	109
Ministry of Advanced Education and Technology - Post Secondary	368	815
Ministry of Education - School Divisions	10,347	13,875
	<u>\$ 17,295</u>	<u>\$ 21,310</u>
<b>Tangible Capital Assets Transferred to Ministry of Employment and Immigration</b>	<u>\$ -</u>	<u>\$ 34</u>
<b>Receivable from/(payable to) (net)</b>		
Ministry of Seniors and Community Supports	\$ 27	\$ 13
Ministry of Advanced Education and Technology	(31)	(34)
Ministry of Health & Wellness - Health Authorities	-	(5)
Ministry of Education - School Divisions	(344)	(1,951)
Ministry of Solicitor General and Public Security	-	(25)
	<u>\$ (348)</u>	<u>\$ (2,002)</u>

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

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 6.

	(In thousands) Other Entities	
	2011	2010
<b>Expenses:</b>		
Accommodation	\$ 25,715	\$ 26,577
Legal Services	4,784	4,364
Internal Audit	14	11
Administrative	5,613	13,120
Air Transportation	11	144
Learning Centre	63	93
	<u>\$ 36,200</u>	<u>\$ 44,309</u>

**MINISTRY OF CHILDREN AND YOUTH SERVICES  
CONSOLIDATED SCHEDULE TO FINANCIAL STATEMENTS  
Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 6**

Program	(In thousands)										
	2011										2010
	Expenses - Incurred by Others										Valuation Adjustments <sup>(5)</sup>
Expenses <sup>(1)</sup>	Accommodation Costs <sup>(2)</sup>	Legal Services <sup>(3)</sup>	Internal Audit	Air Transportation	Learning Centre	Admin Costs <sup>(4)</sup>	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses	
Prevention - Promoting the development and well-being of Children, Youth and families	\$ 305,439	\$ 3,934	\$ -	\$ 2	\$ 2	\$ 10	\$ 859	\$ 140	\$ 51	\$ 310,437	\$ 297,796
Preservation and Protection - Preserving families and protecting children and youth	732,676	18,647	4,784	10	8	46	4,070	662	241	761,144	743,459
Partnership - Working with communities to build relationships and share planning making to improve outcomes	77,884	646	-	-	-	2	141	23	8	78,704	78,955
Support Services	56,272	2,488	-	2	1	5	543	88	33	59,432	62,400
	\$ 1,172,271	\$ 25,715	\$ 4,784	\$ 14	\$ 11	\$ 63	\$ 5,613	\$ 913	\$ 333	\$ 1,209,717	\$ 1,182,610

(1) Expenses as per the Consolidated Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure, represent the Ministry's buildings costs allocated by the number of employees per program.

(3) Costs for Legal Services, which were paid by the Ministry of Justice and Attorney General, were allocated in proportion to the expenses incurred by each program.

(4) Administrative costs represents human resource, finance, business and corporate services provided by the Department of Services Alberta for which no consolidation was exchanged. Costs were allocated by the number of department employees per program.

(5) Valuation Adjustments as per the Consolidated Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:

- Vacation Pay - value of vacation entitlements due to employees assigned to a program.

- Doubtful Accounts - estimated expenses incurred by each program.



DEPARTMENT OF CHILDREN AND YOUTH SERVICES

# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Department of Children and Youth Services, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Children and Youth Services as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 9, 2011  
Edmonton, Alberta

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES**  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2011

	(in thousands)		<b>2010</b>
	<b>2011</b>	<b>Actual</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
	(Schedule 3)		
<b>REVENUE</b>			
<b>Internal Government Transfer</b>			
Transfer from Lottery Fund	\$ 63,500	\$ 63,500	\$ 63,500
<b>Transfers from Government of Canada</b>			
Canada Social Transfer	269,637	267,457	270,979
Services on First Nation Reserves	17,857	21,681	19,573
Children's Special Allowance and Child Disability Benefit	23,864	24,177	24,262
<b>Other Revenue</b>			
Refunds of Expense	3,269	10,755	2,241
Other	-	164	331
	<u>378,127</u>	<u>387,734</u>	<u>380,886</u>
<b>Expenses - Directly Incurred (Note 2b and Schedule 6)</b>			
<b>Voted (Schedules 2, 3 and 4)</b>			
Ministry Support Services	17,996	17,023	16,875
Prevention - Promoting the development and well-being of children, youth and families	286,635	300,162	284,955
Preservation and Protection - Preserving families and protecting children and youth	674,575	723,951	687,365
Partnership - working with communities to build relationship and share planning and decision making to improve outcomes	79,262	77,884	77,842
Program Support	41,891	40,667	43,063
	<u>1,100,359</u>	<u>1,159,687</u>	<u>1,110,100</u>
<b>Statutory (Schedules 2, 3 and 4)</b>			
Valuation Adjustments			
Provision for Doubtful Accounts	-	45	-
Provision for Vacation Pay	1,500	373	95
	<u>1,500</u>	<u>418</u>	<u>95</u>
	<u>1,101,859</u>	<u>1,160,105</u>	<u>1,110,195</u>
<b>Net Operating Results</b>	<u><u>\$ (723,732)</u></u>	<u><u>\$ (772,371)</u></u>	<u><u>\$ (729,309)</u></u>

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

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<b>2011</b>	<b>2010</b>
	<b>Actual</b>	<b>Actual</b>
<b>Assets</b>		
Cash	\$ 36	\$ 823
Prepaid Epxenses	4	-
Accounts Receivable (Note 3)	8,146	6,800
Advances	5	5
Tangible Capital Assets (Note 4)	16,928	14,849
	<b>\$ 25,119</b>	<b>\$ 22,477</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 68,785	\$ 56,909
	<b>68,785</b>	<b>56,909</b>
<b>Net Liabilities</b>		
Net Liabilities at Beginning of Year	(34,432)	(58,970)
Net Operating Results	(772,371)	(729,309)
Net Financing Provided from General Revenues	763,137	753,847
	<b>(43,666)</b>	<b>(34,432)</b>
	<b>\$ 25,119</b>	<b>\$ 22,477</b>

Contractual Obligations and Contingent Liabilities (Notes 6 and 7)

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

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ (772,371)	\$ (729,309)
Non-Cash items included in Net Operating Results		
Amortization (Schedule 2)	1,700	1,714
Valuation Adjustments (net) (Schedule 2)	418	95
	<u>(770,253)</u>	<u>(727,500)</u>
(Increase) in Accounts Receivable <sup>(a)</sup>	(1,391)	(1,855)
(Increase) in Prepaid Expenses	(4)	-
Decrease in Advances	-	265
Increase (Decrease) in Accounts Payable and Accrued Liabilities <sup>(a)</sup>	11,503	(21,771)
Cash Applied to Operating Transactions	<u>(760,145)</u>	<u>(750,861)</u>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	(3,779)	(2,321)
<b>Financing Transactions</b>		
Net Financing Provided from General Revenues	<u>763,137</u>	<u>753,847</u>
<b>(Decrease) Increase in Cash</b>	(787)	665
<b>Cash, Beginning of Year</b>	823	158
<b>Cash, End of Year</b>	<u><u>\$ 36</u></u>	<u><u>\$ 823</u></u>

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

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

## DEPARTMENT OF CHILDREN AND YOUTH SERVICES NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Department of Children and Youth Services operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Department is responsible for providing community-based child and family services, programs and other supports that build on community strengths, individual and family responsibility with organizations and community groups by collaboration, partnerships and sharing resources.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared primarily in accordance with Canadian public sector accounting standards.

#### (a) Reporting Entity

The reporting entity is the Department of Children and Youth Services, which is part of the Ministry of Children and Youth Services and for which the Minister of Children and Youth Services is accountable. Other entities reporting to the Minister are the ten regional provincial agencies, known as Child and Family Services Authorities. 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 (the Fund). The Fund is administered by the Minister of Finance and Enterprise. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net financing provided from (for) 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 basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

##### Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return. Internal government transfers are recognized as revenue when received.

## DEPARTMENT OF CHILDREN AND YOUTH SERVICES NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

#### Transfers from Government of Canada

Transfers from Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

#### **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.

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

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Department's operations are not recognized and are disclosed in Schedule 6 and allocated to programs in Schedule 7.

#### **Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. 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 CHILDREN AND YOUTH SERVICES  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**

Assets acquired by right are not included. Tangible capital assets of the Department 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

Amortization is only charged if the asset is in use.

**Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

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

**Net Liabilities**

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

**NOTE 3 ACCOUNTS RECEIVABLE**

(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 9,839	\$ (1,864)	\$ 7,975	\$ 6,553
Refunds from Suppliers	171	-	171	247
	<u>\$ 10,010</u>	<u>\$ (1,864)</u>	<u>\$ 8,146</u>	<u>\$ 6,800</u>

Accounts receivable are unsecured and non-interest bearing.



**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 TANGIBLE CAPITAL ASSETS**

(in thousands)

	<b>Computer Hardware and Equipment*</b>			<b>2010 Total</b>
	<b>5 years</b>	<b>5 years</b>	<b>2011 Total</b>	
<b>Historical Costs**</b>				
Beginning of year	\$ 188	\$ 33,097	\$ 33,285	\$ 31,634
Additions	104	3,675	3,779	2,321
Disposals, including write downs	-	-	-	(670)
	<u>\$ 292</u>	<u>\$ 36,772</u>	<u>\$ 37,064</u>	<u>\$ 33,285</u>
<b>Accumulated Amortization</b>				
Beginning of year	\$ 158	\$ 18,278	\$ 18,436	\$ 17,392
Amortization Expense	19	1,681	1,700	1,714
Effect of Disposals	-	-	-	(670)
	<u>\$ 177</u>	<u>\$ 19,959</u>	<u>\$ 20,136</u>	<u>\$ 18,436</u>
<b>Net Book value at March 31, 2011</b>	<u>\$ 115</u>	<u>\$ 16,813</u>	<u>\$ 16,928</u>	
<b>Net Book value at March 31, 2010</b>	<u>\$ 30</u>	<u>\$ 14,819</u>		<u>\$ 14,849</u>

\* Equipment includes office equipment, furniture and other equipment.

\*\* Historical costs includes work-in-progress at March 31, 2011 totalling \$3,675 comprised of Computer software (2010 - \$2,238).

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<b>2011</b>	<b>2010</b>
Child and Family Services Authorities	23,016	\$ 18,691
Trade	6,322	4,735
Government of Canada	13,206	13,711
Grants	18,375	12,955
Manpower	5,455	5,082
Other	2,411	1,735
	<u>\$ 68,785</u>	<u>\$ 56,909</u>

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 CONTRACTUAL OBLIGATIONS**  
(in thousands)

Contractual obligations are obligation of the Department to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	<u>2011</u>	<u>2010</u>
Long-term Leases	<u>\$ -</u>	<u>\$ 3</u>

**NOTE 7 CONTINGENT LIABILITIES**  
(in thousands)

At March 31, 2011, the Department is a defendant in fifty-five legal claims (2010 – fifty-two legal claims). Fifty-four of these claims have specified amounts totaling \$1,231,671 and the remaining one has not specified any amount (2010 – Fifty-one claims with a specified amount of \$1,223, 199 and one has no specified amount).

Included in the total legal claims are forty-two claims amounting to \$1,185,254 in which the Department has been jointly named with other entities (2010 – thirty-nine claims amounting to \$1,194,669). Thirty-six claims amounting to \$947,326 (2010 – thirty-seven claims amounting to \$948,907) are covered by the Alberta Risk Management Fund.

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

**NOTE 8 TRUST FUNDS UNDER ADMINISTRATION**  
(in thousands)

The Department administers a trust fund that is a regulated fund consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the fund and administers it for the purpose described below, it is not included in the Department’s financial statements.

At March 31, 2011 the trust fund under administration is as follows:

	<u>2011</u>	<u>2010</u>
Child Resources Rebate Trust Fund	<u>\$ 975</u>	<u>\$ 1,252</u>

The Province of Alberta paid a \$400 resource rebate to all Alberta residents as of September 1, 2005. The Director of the *Child, Youth and Family Enhancement Act* administers these funds for eligible children in the Director’s care.

Each child’s resource rebate may be used for a child’s special needs that are over and above those that the Ministry provides.

The Director will release the funds to the:

- child’s guardian/parent if a special need is identified and they can purchase goods and/or services to benefit the child, or
- child when the child turns 18 years of age, or
- General Revenue Fund, if a child cannot be located for 2 years after the child turns 18. At that time, the Director’s obligation to pay the refund lapses.

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 BENEFIT PLANS**

(in thousands)

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 \$6,684 for the year ended March 31, 2011 (2010 - \$6,124).

At December 31, 2010, the Management Employees Pension Plan reported a deficiency of \$397,087 (2009 – Deficiency \$483,199) and the Public Service Pension Plan reported a deficiency of \$2,067,151 (2009 - deficiency \$1,729,196). At December 31, 2010, the Supplementary Retirement Plan for Public Service Managers had a deficiency of \$39,559 (2009 – deficiency \$39,516).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2011, the Bargaining Unit Plan reported an actuarial deficiency of \$4,141 (2010 – deficiency \$8,335) and the Management, Opted Out and Excluded Plan an actuarial surplus of \$7,020 (2010 – surplus \$7,431). The expense for these two plans is limited to the employer's annual contributions for the year.

**NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

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

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
SCHEDULE TO FINANCIAL STATEMENTS**

**Revenues**

Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		<b>2010</b>
	<b>2011</b>		
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal Government Transfers			
Transfers from the Lottery Fund	\$ 63,500	\$ 63,500	\$ 63,500
Transfers from the Government of Canada			
Canada Social Transfer	269,637	267,457	270,979
Services on First Nations Reserves	17,857	21,681	19,573
National Child Special Allowance	23,864	24,177	24,262
	<u>311,358</u>	<u>313,315</u>	<u>314,814</u>
Other Revenue			
Refunds of Expenditure			
First Nations Agencies Recoveries	883	992	891
Other Refunds	2,386	9,763	1,350
Other	-	164	331
	<u>3,269</u>	<u>10,919</u>	<u>2,572</u>
<b>Total Revenues</b>	<b><u>\$ 378,127</u></b>	<b><u>\$ 387,734</u></b>	<b><u>\$ 380,886</u></b>

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
SCHEDULE TO FINANCIAL STATEMENTS  
Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 2**

	(in thousands)	
	2011	2010
	Budget	Actual
Voted:		
Salaries, Wages and Employee Benefits	\$ 42,433	\$ 43,897
Supplies and Services	65,776	61,710
Supplies and Services from Support Arrangements with Related Parties <sup>(a)</sup>	-	560
Grants	988,447	1,051,718
Financial Transactions and Other	107	102
Amortization of Tangible Capital Assets	3,596	1,700
Total Voted Expenses before Recoveries	<u>1,100,359</u>	<u>1,159,687</u>
Less Recovery from Support Service Arrangements with Related Parties <sup>(b)</sup>	-	(48)
	<u>\$ 1,100,359</u>	<u>\$ 1,159,687</u>
Statutory:		
Valuation Adjustments	\$ 1,500	\$ -
Provision for Vacation Pay	-	373
Provision for Doubtful accounts	-	45
	<u>1,500</u>	<u>418</u>
Total Expenses	<u>\$ 1,101,859</u>	<u>\$ 1,160,105</u>

(a) The Department receives Freedom of Information and Protection of Privacy and information technology services from the Department of Employment and Immigration.

(b) The Department provided operational human resources services to the Ministry of Seniors and Community Supports last year. Costs incurred by the Department for these services were recovered from the Ministry of Seniors and Community Supports.

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
SCHEDULE TO FINANCIAL STATEMENTS**

**Budget**

Year ended March 31, 2011

**SCHEDULE 3**

	(in thousands)				
	2010-2011 Estimates	Adjustments	2010-2011 Budget	Authorized Supplementary	2010-2012 Authorized Budget
<b>Revenues</b>					
Internal Government Transfers	63,500	-	63,500	-	63,500
Transfers from the Government of Canada	311,358	-	311,358	-	311,358
Other Revenue	3,269	-	3,269	-	3,269
	<u>378,127</u>	<u>-</u>	<u>378,127</u>	<u>-</u>	<u>378,127</u>
<b>Expenses - Directly Incurred:</b>					
<b>Votes Expenses</b>					
Ministry Support Services	17,996	-	17,996	-	17,996
Prevention - Promoting the development and well being of children, youth and families	286,635	-	286,635	19,500	306,135
Preservation and Protection - Preserving families and protecting children and youth	674,575	-	674,575	51,000	725,575
Partnership - Working with communities to build relationships and share planning and decision making to improve outcomes	79,262	-	79,262	-	79,262
Program Support	41,891	-	41,891	(1,700)	40,191
	<u>1,100,359</u>	<u>-</u>	<u>1,100,359</u>	<u>68,800</u>	<u>1,169,159</u>
<b>Statutory Expenses</b>					
Valuation Adjustments	1,500	-	1,500	-	1,500
	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
<b>Total Expenses</b>	<u>1,101,859</u>	<u>-</u>	<u>1,101,859</u>	<u>68,800</u>	<u>1,170,659</u>
<b>Net Operating Results</b>	<u>\$ (723,732)</u>	<u>\$ -</u>	<u>\$ (723,732)</u>	<u>\$ (68,800)</u>	<u>\$ (792,532)</u>
<b>Equipment/Inventory Purchases</b>	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ 1,800</u>	<u>\$ 2,000</u>	<u>\$ 3,800</u>

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
SCHEDULE TO FINANCIAL STATEMENTS**

**SCHEDULE 4**

**Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget**

Year ended March 31, 2011

(in thousands)

	2010-11 Estimates	Adjustments	2010-11 Budget	Authorized Supplementary	2010-11 Budget	Authorized Budget	2010-11 Actual Expense	Unexpended (Over Expended)
<b>1 Ministry Support Services</b>	\$ 437	\$ -	\$ 437	\$ -	\$ 437	\$ 419	\$ 18	
1.0.1 Minister's Office	650	-	650	-	650	561	89	
1.0.2 Deputy Minister's Office	678	-	678	-	678	570	108	
1.0.3 Communications Services	16,231	-	16,231	-	16,231	15,473	758	
1.0.4 Corporate Administration	17,996	-	17,996	-	17,996	17,023	973	
<b>2 Prevention - Promoting the development and well-being of children, youth and families</b>	198,316	-	198,316	19,500	217,816	212,672	5,144	
2.0.1 Child Care	39,106	-	39,106	-	39,106	38,352	754	
2.0.2 Prevention of Family Violence and Bullying	24,093	-	24,093	-	24,093	24,851	(758)	
2.0.3 Parenting Resources Initiative	18,290	-	18,290	-	18,290	17,177	1,113	
2.0.4 Fetal Alcohol Spectrum Disorder Initiatives	6,830	-	6,830	-	6,830	7,110	(280)	
2.0.5 Youth in Transition	286,635	-	286,635	19,500	306,135	300,162	5,973	
<b>3 Preservation and Protection - Preserving families and protecting children and youth</b>	378,555	-	378,555	40,000	418,555	422,887	(4,332)	
3.0.1 Child Intervention Services	162,852	-	162,852	4,000	166,852	163,855	2,997	
3.0.2 Foster Care Support	119,621	-	119,621	7,000	126,621	123,457	3,164	
3.0.3 Family Support for Children with Disabilities	6,374	-	6,374	-	6,374	6,420	(46)	
3.0.4 Protection of Sexually Exploited Children	7,173	-	7,173	-	7,173	7,332	(159)	
3.0.5 Child and Youth Advocate	674,575	-	674,575	51,000	725,575	723,951	1,624	
<b>4 Partnership - Working with communities to build relationships and shared planning and decision making to improve out comes</b>	75,684	-	75,684	-	75,684	75,414	270	
4.0.1 Family and Community Support Services	2,000	-	2,000	-	2,000	2,000	-	
4.0.2 Child and Family Research	1,578	-	1,578	-	1,578	470	1,108	
4.0.3 Alberta's Promise	79,262	-	79,262	-	79,262	77,984	1,378	
<b>5 Program Support</b>	38,295	-	38,295	-	38,295	38,967	(672)	
5.0.1 Program Delivery Support	3,596	-	3,596	(1,700)	1,896	1,700	196	
5.0.2 Amortization of Capital Assets	41,891	-	41,891	(1,700)	40,191	40,667	(476)	
<b>Equipment/Inventory Purchases</b>	1,800	-	1,800	2,000	3,800	3,779	21	
<b>Total Voted Expenditures</b>	<b>1,102,159</b>	-	<b>1,102,159</b>	<b>70,800</b>	<b>1,172,959</b>	<b>1,163,466</b>	<b>9,493</b>	
<b>Statutory:</b>	1,500	-	1,500	-	1,500	418	1,082	
Valuation Adjustment and Other Provisions	-	-	-	-	-	-	-	
<b>Total Expenses</b>	<b>\$ 1,103,659</b>	<b>\$ -</b>	<b>\$ 1,103,659</b>	<b>\$ 70,800</b>	<b>\$ 1,174,459</b>	<b>\$ 1,163,884</b>	<b>\$ 10,575</b>	

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
SCHEDULE TO FINANCIAL STATEMENTS  
Salary and Benefits Disclosure**

Year ended March 31, 2011

**SCHEDULE 5**

	2011			2010	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total
(in thousands)					
<b>Senior Officials</b>					
Deputy Minister <sup>(4),(5)</sup>	\$ 252	\$ 6	\$ 60	\$ 318	\$ 327
Child and Youth Advocate <sup>(6)</sup>	139	45	16	200	165
<b>Executives</b>					
Assistant Deputy Ministers					
Ministry Support Services <sup>(7)</sup>	178	2	44	224	230
Program Quality & Standards	189	2	46	237	231
Community Strategies & Support Services	172	19	18	209	212
Executive Director, Prevention of Family Violence and Bullying	133	21	32	186	171
Executive Director, Human Resources <sup>(8)</sup>	114	2	29	145	188
Special Policy Advisor	-	-	-	-	171

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- <sup>(1)</sup> Base salary includes pensionable base pay.
- <sup>(2)</sup> Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011
- <sup>(3)</sup> Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
- <sup>(4)</sup> Automobile provided, no dollar amount included in other non-cash benefits.
- <sup>(5)</sup> The position was occupied by 3 individuals through the year.
- <sup>(6)</sup> The position was occupied by 2 individuals during the year.
- <sup>(7)</sup> The position was occupied by 2 individuals through the year  
One of the individuals acted as DM between April 29 to July 31, 2010. His salary and benefits during this period are disclosed under DM.  
The same individual was performing both roles between April 29 to May 4, 2010.
- <sup>(8)</sup> The position was occupied by 3 individuals through the year.  
One of the individuals acted as ADM MSS between May 5 to July 13, 2010. Her salary and benefits during this period are disclosed under ADM MSS.  
The same individual was performing both roles between May 5 to July 13, 2010.



**DEPARTMENT OF CHILDREN AND YOUTH SERVICES**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**

**SCHEDULE 6**

Year ended March 31, 2011

Related parties are those entities consolidated or accounted for on the 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:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Internal Government Transfers	\$ -	\$ -	\$ 63,500	\$ 63,500
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,500</u>	<u>\$ 63,500</u>
<b>Expenses - Incurred by Others</b>				
Grants to Child and Family Services Authorities	\$ 861,373	\$ 810,200	\$ -	\$ -
Ministry of Service Alberta	-	-	1,382	1,518
Ministry of Infrastructure	-	-	3	3
Ministry of Finance and Enterprise	-	-	1,605	1,546
Ministry of Health & Wellness - Health Authorities	-	-	32	148
Ministry of Advanced Education and Technology - Post Secondary	-	-	53	500
Ministry of Education - School Division	-	-	6,534	9,683
	<u>\$ 861,373</u>	<u>\$ 810,200</u>	<u>\$ 9,609</u>	<u>\$ 13,776</u>
<b>Tangible Capital Assets</b>				
Transferred to Ministry of Employment and Immigration	\$ -	\$ -	\$ -	\$ 34
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>
<b>Receivable from/(payable to) (net)</b>				
Grants to Child and Family Services Authorities	\$ (23,016)	\$ (18,111)	\$ -	\$ -
Ministry of Advanced Education and Technology	-	-	(31)	(34)
Ministry of Education - School Divisions	-	-	(344)	(2,546)
Ministry of Health & Wellness - Health Authorities	-	-	-	(10)
	<u>\$ (23,016)</u>	<u>\$ (18,111)</u>	<u>\$ (375)</u>	<u>\$ (2,590)</u>

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

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 but are disclosed in Schedule 7.

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses</b>		
Accommodation	\$ 2,791	\$ 2,868
Legal Services	505	508
Internal Audit	14	11
Administrative	806	1,867
Air Transportation	11	144
Learning Centre	63	93
	<u>\$ 4,190</u>	<u>\$ 5,491</u>

**DEPARTMENT OF CHILDREN AND YOUTH SERVICES**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 7**

(in thousands)

Program	2011										2010	
	Expenses - Incurred by Others							Valuation Adjustments <sup>(6)</sup>				
	Expenses <sup>(1)</sup>	Accommodation Costs <sup>(2)</sup>	Legal Services <sup>(3)</sup>	Internal Audit	Learning Centre	Air Transportation	Admin Costs <sup>(4)</sup>	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses	
Ministry Support Services	\$ 17,023	\$ 101	\$ -	\$ 1	\$ 2	\$ 2	\$ 1	\$ 29	\$ 13	\$ -	\$ 17,170	\$ 18,026
Prevention - Promoting the Development and well being of children, youth and families	300,162	364	-	2	8	1	105	49	45	300,736	285,812	
Preservation and Protection - Preserving families and Protecting Children and Youth	723,951	1,163	505	6	27	5	336	156	-	726,149	689,476	
Partnership - Working with communities to build relationships and share planning and decision making to improve outcomes	77,884	39	-	-	1	-	11	5	-	77,940	78,213	
Program Support	40,667	1,124	-	5	25	4	325	150	-	42,300	44,159	
	<b>\$ 1,159,687</b>	<b>\$ 2,791</b>	<b>\$ 505</b>	<b>\$ 14</b>	<b>\$ 63</b>	<b>\$ 11</b>	<b>\$ 806</b>	<b>\$ 373</b>	<b>\$ 45</b>	<b>\$ 1,164,295</b>	<b>\$ 1,115,686</b>	

<sup>(1)</sup> Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustments

<sup>(2)</sup> Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure represent the Department's building costs allocated by the number of employees per program.

<sup>(3)</sup> Costs for Legal Services, which were paid by the Ministry of Justice and Attorney General, were allocated in proportion to the expenses incurred by each program.

<sup>(4)</sup> Administrative costs represents human resources, finance, business and corporate services provided by the Department of Service Alberta for which no consideration was exchanged. Costs were allocated by the number of Department employees per program.

<sup>(5)</sup> Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:

- Vacation Pay - value of vacation entitlements due to employees assigned to a program.
- Doubtful Accounts - estimated expenses incurred by each program.

# Other Information



# Ministry of Children and Youth Services Statement of Remissions, Compromises and Write-Offs

Year ended March 31, 2011

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The following statement has been prepared pursuant to section 23 of the Financial Administration Act. The statement includes all remissions, compromises and write-offs the Ministry of Children & Youth Services made or approved during the fiscal year.

	(in thousands) 2011
Remissions under section 21 of the <i>Financial Administration Act</i>	-
Compromises under section 22 of the <i>Financial Administration Act</i>	-
Bankruptcies	-
Write-offs:	
Day Care Program - prior years	278
Other	45
Total	<u>\$ 323</u>



# Appendix





# Performance Measures – Data Sources and Methodology

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## Data Sources

### **Child Care Information System (CCIS)**

CCIS contains information about Alberta's licensed social care facilities, including licensed and approved day care centres, contracted family day home agencies and direct care providers. Child care specialists use this system to maintain current information about the licensing and monitoring of all licensed and approved child care programs, including day care centres and family day home agencies and providers. CCIS also contains data related to the Child Care Subsidy Program, Child Care Accreditation Funding Program, Staff Qualification Program, Claims Process, Licensing and Family Day Home Program.

### **Child Youth Information Module (CYIM)**

CYIM is an information system designed to assist with case management. The system provides client-tracking capability (e.g., outcome of investigations, placement type, legal authority, etc.) as well as documentation support for the programs under the former *Child Welfare Act* and the current *Child, Youth and Family Enhancement Act* (child protection, adoptions, placement resources, unmarried parents, post-adoption support, family enhancement), the *Protection of Sexually Exploited Children Act* (PSECA) and the *Drug-endangered Children Act* (DECA). CYIM is the data source for a number of the performance measures.

### **Bursary Information Module (BIM)**

BIM is an information and payment system that supports casework, facilitates financial management and provides a reporting capacity for the Advancing Futures bursary program. The application has the capability to:

- track and monitor bursaries provided by Children and Youth Services;
- provide critical casework information;
- disburse monthly living allowance payments to recipients;
- disburse tuition, book and supply expenses;
- track the financial processes of Advancing Futures; and
- provide timely, accurate and efficient reporting.

Advancing Futures assists youth in achieving their educational goals as a means of obtaining meaningful employment. To be eligible, applicants must have been the subject of a Permanent Guardianship Order between the time they were 13 and 18 years old; or have been in the care of Children and Youth Services for at least 546 days (18 months) between the time they were 13 and 22 years of age. To determine eligibility, BIM sends a query to CYIM to identify the number of intervention service days a youth has. BIM then calculates the number of days and determines eligibility.

### **Ministry Surveys**

The Ministry also hires external consultants to conduct several surveys used for performance measures, including: the Family Support for Children with Disabilities Family Survey, the Albertans' Perceptions of Family Violence and Bullying Survey, the Foster Care Program Survey and the Adoption Program Survey. All of these surveys are conducted every two years. The Ministry also gathers the Women's Emergency Shelters Exit Survey data on an ongoing basis.

## Methodology

### **PERFORMANCE MEASURE 1A:**

#### **Percentage of licensed day care centres and contracted family day home agencies that are accredited**

The Alberta Association for Accreditation of Early Learning and Care Services accredits eligible day care programs and family day home agencies in Alberta. Accreditation is a voluntary process. The result for this measure is based on the number of licensed day care programs and contracted family day home agencies accredited as of March 31, 2011. The measure is calculated by dividing the sum of all accredited licensed day care centres and all accredited contracted family day home agencies by all licensed day care centres and all contracted family day home agencies, as counted on March 31, 2011. Licensed, on-base (military) day care programs are eligible for accreditation and are included in this measure. Approved day care programs located on-reserve are not included in this measure, as these programs are not required to meet provincial legislation and are not eligible for accreditation. Direct Care Providers are contracted by Child and Family Services Authorities to provide family child care services but are not eligible to be accredited as a “contracted family day home agency” and are therefore excluded in the calculations as well. The measure also excludes those programs and agencies that have been accredited during the year but no longer have active licences or contracts on March 31, 2011.

### **PERFORMANCE MEASURE 1B:**

#### **Percentage of Albertans who have information to better help in situations of family violence or bullying**

Performance measure data were collected for this measure in 2010. This measure involves a telephone survey of Albertans 16 years and older to examine public awareness and understanding of family violence and bullying. The results for this measure are based on survey questions related to exposure to information on family violence and bullying and to what extent this information enabled respondents to feel better able to help in a family violence or bullying situation. Between January 6 and February 16, 2010, Ipsos Reid conducted a total of 977 telephone interviews with Albertans aged 16 years and older. This included a formal pilot test among 20 Albertans across the province on January 6, 2010. After a review of the pilot test results (i.e., listening to interviews, reviewing interviewer feedback and analyzing initial results), Children and Youth Services and Ipsos Reid agreed no changes to the questionnaire were necessary. Therefore, pilot test results are included in the overall data. The average interview length was 17.3 minutes. The “birthday method” of selecting respondents was used in order to ensure randomness within households (i.e., asking to speak to the person in the household over the age of 16 years who most recently celebrated a birthday). Interviews were stratified by nine CFSA regions. Quotas were established to ensure a reliable sample size within each region for regional analysis. The data were weighted to ensure the sample’s regional and age/gender composition reflects that of the actual Alberta population over the age of 16 years according to 2006 Canadian Census data. With a sample of 977, results are considered accurate to within +/-3.2 percentage points, 19 times out of 20, of what they would have been had the entire population of Albertans over the age of 16 years been polled.

**PERFORMANCE MEASURE 2A:****Percentage of adults staying at government-funded women's emergency shelters who report that they are better able to keep themselves and the children under their care safer from abuse**

An exit survey was conducted with clients of contracted women's shelters. All clients who stayed at the 29 Children and Youth Services' funded emergency shelters throughout the province between April 1, 2010 and March 31, 2011 were given the opportunity to participate in this survey. A questionnaire is used, including a screening question, to determine if the client's stay at the shelter was because of abuse (with or without children), as only these clients' responses to the remaining questions are included in the performance measure statistics. Respondents are not necessarily 'unique individuals'; if a client visited a shelter more than once in the survey period, they may have completed the survey more than once. Respondents can fill out the survey before leaving the shelter or return their surveys by fax or mail.

A sample of six months (April 1, 2010 to September 30, 2011) was drawn from the total surveys. The total number of surveys in the specified sample was 2,227. Of these, 1,482 answered "yes" to the screening question. Of those 1,482 surveys, 1,436 were completed surveys. The overall margin of error for the survey results was equal to  $\pm 2.5$  per cent, 19 times out of 20.

**PERFORMANCE MEASURE 2B:****Percentage of foster families who indicate positive impacts for their foster children**

A survey of foster parents is conducted every two years in order to gather feedback about the foster care program. The survey is conducted every two years in order to reduce cost and response burden. Surveys are conducted by an external consultant and are designed to meet rigorous standards associated with survey methodology.

Data for the 2010-11 Foster Care Survey was collected from January 17, 2011 to March 4, 2011. Respondents were able to complete the survey on paper, online or over the telephone. A census was conducted of all Child and Family Services Authority foster homes with "approved" status during September 2010, and in which a foster child had resided within the previous six months. A total of 1,360 surveys were completed out of a total population of 1,951 (69.7 per cent of those eligible). The margin of error for the survey overall, as well as the performance measure question, was  $\pm 1.5$  per cent, 19 times out of 20.

**PERFORMANCE MEASURE 2C:****Percentage of families accessing the Family Support for Children with Disabilities program who indicate the services provided had a positive impact on their child**

The result for this measure is obtained through a survey of families receiving services from the FSCD program during the month of June, 2010. The survey was administered to 2,062 people who had accessed services through the FSCD Program. The valid sample size (i.e., total sample minus not-in-service telephone numbers, business numbers, individuals who stated they did not receive services from FSCD) was 5,280 people. The overall margin of error for the survey results was equal to  $\pm 2.1$  per cent, 19 times out of 20.

Respondents had the opportunity to participate by telephone, online or by faxing or mailing in the completed survey. Full survey administration began in June 2010 and was completed in July 2010. Any respondent who requested to be contacted at a more convenient time was accommodated. The overall valid response rate was 39 per cent. The next biennial survey will be conducted in 2012. Results will be included in the 2012-13 Ministry Annual Report.

**PERFORMANCE MEASURE 3A:**

**Percentage of children who suffer injury that results in hospitalization or death while receiving protective services**

This measure is derived from CYIM data and is calculated by dividing the number of children and youth receiving protective services that experienced an injury that resulted in the child's hospitalization or death, by the total number of children and youth receiving protective services during a specified time period.

The caseworker is required to report information on this measure at three points in the case management process: safety phase assessment, completion of an ongoing case assessment record and file closure. At each point, the worker is prompted to enter information about this measure, if applicable. The question posed to the worker at the time of the prompt is, "Did the child sustain an injury that resulted in hospitalization or death?" An affirmative response on CYIM to this question is made when death has occurred or hospital admission has taken place as a result of an injury. All CYIM results for this measure are manually checked against the relevant case records to ensure accuracy of the result reported in CYIM.

The information gathered from CYIM is also checked against the reported critical incidents, reports of deaths, as well as information gathered through the Standards monitoring process. If any of these additional processes identify an incident that meets the criteria for this measure, the circumstances are verified and the information is added to the results.

**PERFORMANCE MEASURE 3B:**

**Number of children, in the permanent care of the Director, for whom Adoption or Private Guardianship Orders are granted**

The measure is calculated by counting the number of children in permanent care of the Director whose case file is closed during the fiscal year, where reason for closure is an adoption or private guardianship order.

**PERFORMANCE MEASURE 3C:**

**Percentage of children and youth who received child intervention (family enhancement or protective services) and did not require protective services within 12 months of file closure**

This measure describes the proportion of children with a child intervention file closure in a fiscal year who did not require child protection services within 12 months of the closure. A child intervention file closure refers to either a family enhancement or child protection closure. Step 1 of this measure involves looking at all the children whose file closed (there is a closure entered on CYIM) during the time period from April 1, 2009 to March 31, 2010 (Denominator). Step 2 of

this measure looks at the children identified in Step 1 who, within 12 months of the closure, did not require additional services through the Child Protection Program (Numerator). Children are included in the denominator if the closure occurred prior to their 17th birthday.

**PERFORMANCE MEASURE 3D:**

**Percentage of adoptive families indicating that their child was well-prepared for adoption**

A survey of adoption applicants is conducted every two years in order to gather feedback about the adoption program. The survey is conducted every two years in order to reduce cost. Surveys are conducted by an external consultant and are designed to meet rigorous standards associated with survey methodology.

Data for the 2010-11 Adoption Survey was collected between January 17, 2011 and February 11, 2011. Respondents were able to complete the survey online or over the phone. A census was conducted of all adoption applicants who:

- had their applications for adoption forwarded to Adoption and Permanency Services and had home assessments requested;
- had applications forwarded to Adoption and Permanency Services and who had been approved; or
- had a child placed with them in an adoption permanency placement, either through the Adoption and Permanency Services matching process, or as a kinship or foster parent adoption.

A total of 450 surveys were completed out of a total eligible population of 555 applicants (81.1 per cent of those eligible). Only respondents who had applied for regular adoption (where they were matched with a child, as opposed to where a foster or kinship parent applies to adopt a child) and who had a child placed with them at the time of the survey, were asked the performance measure question (107 respondents). The overall margin of error for the survey was +/- 2.0 per cent 19 times out of 20, with the margin of error for the performance measure question being +/- 3.2 per cent 19 times out of 20.

**PERFORMANCE MEASURE 3E:**

**Percentage of youth receiving Advancing Futures Bursaries who successfully completed their planned studies during the fiscal year**

Advancing Futures takes a strength-based approach to supporting youth and recognizes the potential of students to reach their educational goals and overcome challenges. To this end, Advancing Futures provides opportunities for students to achieve success. The result for this measure is generated in the Bursary Information Module (BIM) through the Regional Report mail merge. The report is generated based on the fiscal year start and end dates (April 1 to March 31). The report identifies the number of students who withdrew and the awards that were terminated during a school year. The number of withdrawals plus the terminations are then divided by the total number of students who were approved for a bursary during that school term.

**PERFORMANCE MEASURE 4A:****Percentage of Aboriginal children in foster care/kinship care who are placed with Aboriginal families**

This measure looks at the placement of Aboriginal children in foster or kinship care homes where the foster or kinship family has an Aboriginal background. This provides one indicator of achieving the outcome, "Aboriginal children, youth and families receive culturally appropriate services." An Aboriginal foster or kinship care family is determined to be Aboriginal if the home is denoted as Aboriginal or the caregiver's racial origin is identified as Aboriginal in CYIM.

The result is derived by dividing the number of Aboriginal children in foster/kinship care who are placed with Aboriginal families by the total number of Aboriginal children in foster/kinship care placed during the period.

**PERFORMANCE MEASURE 5A:****Percentage of expenditures in the children/youth/families project and service category of Family and Community Support Services**

Each year, participating municipalities and Métis Settlements must submit reports with financial information and a list of projects and services receiving funding. Projects are identified within numerous service categories including children/youth, families, adults, seniors and community development. Data are collected annually from each participating municipality and Métis Settlement. The Family and Community Support Services (FCSS) Regulation requires financial reporting be received by the Minister of Children and Youth Services within 120 days of the end of the municipality's fiscal year (reference section 11(b)(i) of the FCSS Regulation). Municipalities operate on a calendar year (January 1 to December 31) and were required to submit 2009 reporting by April 30, 2010. Métis Settlements operate on a fiscal year (April 1 to March 31) and were required to submit 2009-10 reporting by July 29, 2010. Information for this 2010-11 performance measure is based on a combination of 2009 municipal and 2009-10 Métis Settlement reporting. A total of seven projects and services categories are used to report FCSS activities including: Children/Youth (Category A), Families (Category B), Adults (Category C), Seniors (Category D), Community Development (E), Grant Transfers (F) and FCSS Management (Category G). Note: Prior to 2005, Section 2 (Projects/Services Report) included the following six categories: Children/Youth, Adults/Families, Seniors, Community Development, Grant Transfers and FCSS Management. To better reflect FCSS involvement in the provision of services to families, this section was revised to create separate reporting categories for adults and families. This revision allows for more detailed reporting based on a specific population segment, but does not impact combined total expenditures reported.

An expenditure percentage of 42.1 per cent was achieved within the FCSS Projects and Services categories for Children/Youth (Category A) and Families (Category B) (Annual FCSS Program Report Section 2) submitted by participating municipalities and Métis Settlements. The measure is hence derived as follows: [Category A + Category B] Expenditures divided by the Total FCSS Expenditures.

# Child and Family Services Authorities Financial Statements





**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**

**FINANCIAL STATEMENTS**

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Southwest Alberta Child and Family Services Authority and the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Southwest Alberta Child and Family Services Authority, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Southwest Alberta Child and Family Services Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 8, 2011  
Edmonton, Alberta

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 40,670	\$ 46,711	\$ 42,722
<b>Other Revenue</b>			
Inter-Authority Services	78	215	22
Other Revenue	40	26	237
	<b>40,788</b>	<b>46,952</b>	<b>42,981</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	5,780	8,352	6,901
Prevention of Family Violence and Bullying	-	52	95
Parenting Resources Initiative	400	1,387	1,120
Fetal Alcohol Spectrum Disorder Initiatives	91	482	538
Child Intervention Services	17,462	18,363	17,701
Foster Care Support	9,094	8,488	8,866
Family Support for Children with Disabilities	6,312	7,925	7,466
Protection of Sexually Exploited Children	266	274	242
Program Support	1,187	1,030	1,123
Board Governance	118	104	99
Inter-Authority Services	78	215	22
Valuation Adjustments (Note 2)	-	(29)	83
	<b>40,788</b>	<b>46,643</b>	<b>44,256</b>
<b>TOTAL EXPENSES</b>	<b>40,788</b>	<b>46,643</b>	<b>44,256</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 309</b>	<b>\$ (1,275)</b>

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

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash	\$ 3,865	\$ 3,254
Accounts Receivable (Note 4)	1,568	1,296
Prepays	15	25
	<b>\$ 5,448</b>	<b>\$ 4,575</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 4,061	\$ 3,497
<b>Net Assets</b>		
Net Assets at Beginning of Year	1,078	2,353
Net Operating Results	309	(1,275)
Net Assets at End of Year	1,387	1,078
	<b>\$ 5,448</b>	<b>\$ 4,575</b>

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

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<b>2011</b>	<b>2010</b>
<b>Operating Transactions</b>		
Net Operating Results	\$ 309	\$ (1,275)
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	(29)	83
	<u>280</u>	<u>(1,192)</u>
Decrease (Increase) in Accounts Receivable	(272)	5
Decrease (Increase) in Prepays	10	(25)
Increase in Accounts Payable and Accrued Liabilities	593	546
Cash Provided by (Applied to) Operating Transactions	<u>611</u>	<u>(666)</u>
<b>Increase (Decrease) in Cash</b>	611	(666)
<b>Cash, Beginning of Year</b>	3,254	3,920
<b>Cash, End of Year</b>	<u><u>\$ 3,865</u></u>	<u><u>\$ 3,254</u></u>

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

## SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Southwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

#### a) Reporting Entity

The reporting entity is the Southwest Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

#### 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 in return. Internal government transfers are recognized as revenue when received.

## SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### **Expenses**

##### Directly Incurred

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

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

- Pension costs, which are the cost of employer contributions for current services of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children and Youth Services.
- Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statements of Operations and are disclosed in Schedule 4.

#### **Assets**

Assets acquired by right are not included. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

#### **Liabilities**

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

## SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### ***Valuation of Financial Assets and Liabilities***

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

The fair value of cash, accounts receivable, advances and accounts payable and accrued liabilities are estimated to approximate their carrying value because of the short term nature of these instruments.

#### ***Net Assets***

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

#### ***Budget***

*(in thousands)*

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statements of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$40,788 on March 10, 2010.

#### ***Measurement Uncertainty***

*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$1,568 and \$4,061 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimate.

#### ***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.



**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES**

(in thousands)

The grant is determined as follows:

Initial (original) budget	\$ 40,670
Additional funding for the current year	6,041
Grant for the year	<u>\$ 46,711</u>

**NOTE 4 ACCOUNTS RECEIVABLE**

(in thousands)

	2011		2010	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Child & Family Services Authorities	\$ 76	\$ -	\$ 76	\$ 12
Department of Children and Youth Services	1,431	-	1,431	1,149
Refunds from Suppliers	68	7	61	135
	<u>\$ 1,575</u>	<u>\$ 7</u>	<u>\$ 1,568</u>	<u>\$ 1,296</u>

Accounts receivable are unsecured and non-interest bearing.

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	2011	2010
Trade Payable	\$ 2,088	\$ 1,781
Accrued Vacation Pay and Manpower Expenses	1,958	1,649
Department of Children and Youth Services	15	28
Child and Family Services Authorities	-	39
	<u>\$ 4,061</u>	<u>\$ 3,497</u>

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ended March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011 and March 31, 2010, the Authority has the following other contractual obligations:

	2011	2010
Long-term Leases <sup>(a)</sup>	<u>\$ -</u>	<u>\$ 11</u>

<sup>(a)</sup> The Authority leases certain equipment under operating leases that expire on various dates.

**NOTE 7 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010 – three legal claims). Three of the claims have specified amounts totalling \$334,200 (2010 – three claims with a specified amount of \$326,300). The Authority is jointly named with other entities in these three claims. One claim amounting to \$1,300 (2010 – one claim amounting to \$1,300) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**NOTE 8 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$1,132 for the year ended March 31, 2011 (2010 – \$957).

**NOTE 9 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 10 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<b>2011</b>		<b>2010</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
Salaries, Wages and Employee Benefits	\$ 13,482	\$ 13,553	\$ 13,118
Supplies and Services	16,373	16,151	16,703
Grants	10,855	16,753	14,330
Inter-Authority Services	78	215	22
Other	-	(29)	83
<b>Total Expenses</b>	<b>\$ 40,788</b>	<b>\$ 46,643</b>	<b>\$ 44,256</b>

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	(in thousands)				2010
	2011		Other		
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Non-Cash Benefits <sup>(3)</sup>	Total	Total
Co-Chair of the Authority	\$ -	\$ 35	\$ -	\$ 35	\$ 27
Co-Chair of the Authority	-	18	-	18	22
Board Members (6 members)	-	49	-	49	50
Chief Executive Officer	127	2	30	159	162

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$19 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
SCHEDULE TO FINANCIAL STATEMENTS  
Related Party Transactions**

**SCHEDULE 3**

Year ended March 31, 2011

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

The Authority 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 Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	<b>Entities in the Ministry</b>		<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 46,711	\$ 42,722	\$ -	\$ -
Recoveries - Inter-Authority Services	215	22	-	-
	<b>\$ 46,926</b>	<b>\$ 42,744</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 13	\$ 58	\$ -	\$ -
Department of Children and Youth Services	177	177	-	-
Department of Education	-	-	85	105
Department of Health and Wellness	-	-	686	686
Department of Service Alberta	-	-	68	39
Department of Seniors and Community Supports	-	-	37	-
	<b>\$ 190</b>	<b>\$ 235</b>	<b>\$ 876</b>	<b>\$ 830</b>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 1,416	\$ 1,124	\$ -	\$ -
Southeast Alberta Child and Family Services Authority	76	-	-	-
Calgary and Area Child and Family Services Authority	-	(29)	-	-
Edmonton and Area Child and Family Services Authority	-	2	-	-
Department of Seniors and Community Supports	-	-	(2)	(5)
	<b>\$ 1,492</b>	<b>\$ 1,097</b>	<b>\$ (2)</b>	<b>\$ (5)</b>

The Authority 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 disclosed in Schedule 4.

	(in thousands)	
	<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>
<b>Expenses (Notional):</b>		
Accommodation	\$ 1,472	\$ 1,526
Administrative	314	756
	<b>\$ 1,786</b>	<b>\$ 2,282</b>

**SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**

**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)										
	2011					2010					
	Expenses <sup>(1)</sup>	Expenditures - Incurred by Others	Valuation Adjustments <sup>(4)</sup>		Total	Expenses <sup>(1)</sup>	Expenditures - Incurred by Others	Valuation Adjustments <sup>(4)</sup>		Total	
	Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Vacation Pay	Doubtful Accounts	Expenses		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Vacation Pay	Doubtful Accounts	Expenses
Child Care	\$ 8,352	\$ 82	-	\$ (2)	-	\$ 8,432	\$ 82	-	-	-	\$ 8,432
Prevention of Family Violence and Bullying	52	10	-	-	-	62	-	-	-	-	62
Parenting Resources Initiative	1,387	-	-	-	-	1,387	-	-	-	-	1,387
Fetal Alcohol Spectrum Disorder Initiatives	482	-	-	-	-	482	-	-	-	-	482
Child Intervention Services	18,363	1,089	-	(21)	-	19,431	-	-	-	-	19,431
Foster Care Support	8,488	125	-	(2)	-	8,611	-	-	-	-	8,611
Family Support for Children with Disabilities	7,925	80	-	(2)	-	8,003	-	-	-	-	8,003
Protection of Sexually Exploited Children	274	9	-	-	-	283	-	-	-	-	283
Program Support	1,030	77	314	(2)	-	1,419	-	-	-	-	1,419
Board Governance	104	-	-	-	-	104	-	-	-	-	104
Inter-Authority Services	215	-	-	-	-	215	-	-	-	-	215
	<b>\$ 46,672</b>	<b>\$ 1,472</b>	<b>\$ 314</b>	<b>\$ (29)</b>	<b>\$ -</b>	<b>\$ 48,429</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 46,538</b>

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

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the

Southwest Alberta Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Valuation Adjustments as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.

- Doubtful Accounts provision is allocated to specific program.

# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Southeast Alberta Child and Family Services Authority and the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Southeast Alberta Child and Family Services Authority, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Southeast Alberta Child and Family Services Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 2, 2011  
Edmonton, Alberta



**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	<u>2011</u>	<u>2010</u>	
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 23,986	\$ 27,457	26,611
<b>Other Revenue</b>			
Other Revenue	19	32	9
	<u>24,005</u>	<u>27,489</u>	<u>26,620</u>
<b>EXPENSES (Schedule 1 and 4)</b>			
Child Care	4,752	5,390	4,673
Prevention of Family Violence and Bullying	70	110	71
Parenting Resources Initiative	265	929	787
Fetal Alcohol Spectrum Disorder Initiatives	90	93	93
Child Intervention Services	10,968	12,482	11,680
Foster Care Support	4,043	4,267	4,633
Family Support for Children with Disabilities	2,666	2,814	3,225
Protection of Sexually Exploited Children	65	70	69
Program Support	1,036	1,041	1,030
Board Governance	50	65	45
Amortization	-	1	1
Valuation Adjustments (Note 2)	-	75	113
<b>TOTAL EXPENSES</b>	<u>24,005</u>	<u>27,337</u>	<u>26,420</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 152</u>	<u>\$ 200</u>

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

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 993	\$ 899
Accounts Receivable (Note 4)	1,055	761
Prepaid Expenses	13	4
Tangible Capital Assets (Note 5)	2	3
	<u>\$ 2,063</u>	<u>\$ 1,667</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	<u>2,147</u>	<u>1,903</u>
	<u>2,147</u>	<u>1,903</u>
<b>Net Assets (Liabilities)</b>		
Net (Liabilities) at Beginning of Year	(236)	(436)
Net Operating Results	<u>152</u>	<u>200</u>
Net (Liabilities) at End of Year	<u>(84)</u>	<u>(236)</u>
	<u>\$ 2,063</u>	<u>\$ 1,667</u>

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

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 152	\$ 200
Non-Cash Items included in Net Operating Results:		
Amortization	1	1
Valuation Adjustments	75	113
	<u>228</u>	<u>314</u>
Decrease (increase) in Accounts Receivable	(294)	468
Decrease (increase) in Prepays	(9)	2
Increase in Accounts Payable and Accrued Liabilities	169	275
Cash Provided by Operating Transactions	<u>94</u>	<u>1,059</u>
<b>Increase in Cash</b>	94	1,059
<b>Cash, Beginning of Year</b>	899	(160)
<b>Cash, End of Year</b>	<u><u>\$ 993</u></u>	<u><u>\$ 899</u></u>

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

## SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Southeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The financial statements have been prepared primarily in accordance with Canadian public sector accounting standards.

#### a) Reporting Entity

The reporting entity is the Southeast Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### b) Basis of Financial Reporting

##### **Revenues**

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

## SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### 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 in return.

Internal government transfers are recognized as revenue when received.

#### **Expenses**

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statements of Operations and Schedule 1.

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

- Amortization of tangible capital assets
- Pension costs, which are the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which included 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.
- Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statements of Operations and are disclosed in Schedule 4.

#### **Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

## SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### ***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### ***Valuation of Financial Assets and Liabilities***

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

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

#### ***Net Liabilities***

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

#### ***Budget***

*(in thousands)*

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statements of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$24,005 on March 25, 2010.

#### ***Measurement Uncertainty***

*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$1,055 and \$2,147 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

***Voluntary Contributions***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANT FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grants are determined as follows:

Initial (original) budget	\$ 23,986
Additional funding for the current year	<u>3,471</u>
Grant for the year	<u>\$ 27,457</u>

**NOTE 4 ACCOUNTS RECEIVABLE  
(in thousands)**

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 1,016	\$ -	\$ 1,016	\$ 756
Refunds from Suppliers	39	-	39	5
	<u>\$ 1,055</u>	<u>\$ -</u>	<u>\$ 1,055</u>	<u>\$ 761</u>

Accounts receivable are unsecured and non-interest bearing.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 TANGIBLE CAPITAL ASSETS**  
(in thousands)

	<u>2011</u>		<u>2010</u>
	<u>Equipment*</u>	<u>Total</u>	<u>Total</u>
<b>Estimated Useful Life</b>	5 years		
<b>Historical Cost</b>			
Beginning of Year	\$ 6	\$ 6	\$ 6
Additions	-	-	-
	<u>6</u>	<u>6</u>	<u>6</u>
<b>Accumulated Amortization</b>			
Beginning of Year	3	3	2
Amortization Expense	1	1	1
	<u>4</u>	<u>4</u>	<u>3</u>
<b>Net Book Value at March 31, 2011</b>	<u>\$ 2</u>	<u>\$ 2</u>	
<b>Net Book Value at March 31, 2010</b>			<u>\$ 3</u>

\*Equipment includes office equipment, furniture and other equipment.



**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payables	\$ 749	\$ 1,126
Accrued Vacation Pay and Manpower Expenses	1,318	749
Department of Children and Youth Services	2	2
Child and Family Services Authorities	78	26
Other	-	-
	<u>\$ 2,147</u>	<u>\$ 1,903</u>

**NOTE 7 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases <sup>(a)</sup>	<u>\$ -</u>	<u>9</u>

## **SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 8 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010—two legal claims). The two claims have specified amounts totalling \$332,900 (2010— two claims with a specified amount of \$325,000). The Authority is jointly named with other entities in these two claims. Neither claim is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

### **NOTE 9 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$697 for the year ended March 31, 2011, (2010 – \$547).

### **NOTE 10 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(IN THOUSANDS)		
	<u>2011</u> <u>Budget</u>	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Salaries, Wages and Employee Benefits	\$ 7,659	\$ 7,991	\$ 7,389
Supplies and Services	9,920	11,009	11,300
Grants	6,426	8,261	7,617
Amortization of Capital Assets	-	1	1
Other	-	75	113
<b>Total Expenses</b>	<b>\$ 24,005</b>	<b>\$ 27,337</b>	<b>26,420</b>

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	2011			2010	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
	(in thousands)				
Co-Chair of the Authority	\$ -	\$ 20	\$ -	\$ 20	\$ 14
Co-Chair of the Authority	-	17	-	17	13
Board Members (5 members)	-	26	-	26	20
Chief Executive Officer	174	2	42	218	227

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

(1) Base salary includes regular pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$16 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships.

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**

**SCHEDULE 3**

Year ended March 31, 2011

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

The Authority 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 Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 27,457	\$ 26,611	\$ -	\$ -
Recoveries - Inter-Authority Services	-	-	-	-
Prior-Year Revenue - First Nations Reserves	-	-	-	-
	<u>\$27,457</u>	<u>\$ 26,611</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 292	\$ 102	\$ -	\$ -
Department of Children and Youth Services	295	295	-	-
Department of Education	-	-	299	281
Department of Health and Wellness	-	-	166	250
Department of Employment, Immigration and Industry	-	-	-	-
Department of Service Alberta	-	-	68	27
	<u>\$ 587</u>	<u>\$ 397</u>	<u>533</u>	<u>\$ 558</u>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 1,016	\$ 754	\$ -	\$ -
Calgary and Area Child and Family Services Authority	(2)	(4)	-	-
Southwest Child and Family Services Authority	(76)	-	-	-
North Central Child and Family Services Authority	-	(22)	-	-
	<u>\$ 938</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ -</u>

The Authority 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 disclosed in Schedule 4.

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses (Notional)</b>		
Accommodation	\$ 848	\$ 880
Administrative	182	409
Legal Services	-	-
	<u>\$ 1,030</u>	<u>\$ 1,289</u>

**SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)									
	2011					2010				
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others		Valuation Adjustments <sup>(4)</sup>		Total	Expenses	Total	Expenses	Total
	Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services	Vacation Pay	Doubtful Accounts	Expenses	Expenses	Expenses	Expenses	
Child Care	\$ 5,390	\$ 51	\$ 11	\$ -	\$ 5	-	\$ 5,457	\$ 4,779	-	
Prevention of Family Violence and Bullying	110	10	2	-	1	-	123	87	-	
Parenting Resources Initiative	929	-	-	-	-	-	929	787	-	
Fetal Alcohol Spectrum Disorder Initiatives	93	-	-	-	-	-	93	93	-	
Child Intervention Services	12,482	617	132	-	54	-	13,285	12,672	-	
Foster Care Support	4,267	58	13	-	5	-	4,343	4,725	-	
Family Support for Children with Disabilities	2,814	43	9	-	4	-	2,870	3,299	-	
Protection of Sexually Exploited Children	70	3	1	-	-	-	74	76	-	
Program Support	1,041	66	14	-	6	-	1,127	1,145	-	
Board Governance	65	-	-	-	-	-	65	45	-	
Amortization	1	-	-	-	-	-	1	1	-	
	<b>\$ 27,262</b>	<b>\$ 848</b>	<b>\$ 182</b>	<b>\$ -</b>	<b>\$ 75</b>	<b>\$ -</b>	<b>\$ 28,367</b>	<b>\$ 27,709</b>	<b>\$ -</b>	

(1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the Southeast Alberta Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.

- Doubtful Accounts provision is allocated to specific program.

# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Calgary and Area Child and Family Services Authority and the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Calgary and Area Child and Family Services Authority which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Calgary and Area Child and Family Services Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 9, 2011  
Edmonton, Alberta



**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**

Year ended March 31, 2011

	(in thousands)		
	<u>2011</u>		<u>2010</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 223,255	\$ 242,928	\$ 232,794
<b>Other Revenue</b>			
Inter-Authority Services	100	113	139
Other Revenue	905	707	1,410
	<u>224,260</u>	<u>243,748</u>	<u>234,343</u>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	33,636	37,744	32,310
Prevention of Family Violence and Bullying	750	874	615
Parenting Resources Initiative	2,087	6,175	5,075
Fetal Alcohol Spectrum Disorder Initiatives	1,430	2,159	1,233
Child Intervention Services	96,715	110,523	107,379
Foster Care Support	43,292	43,277	42,306
Family Support for Children with Disabilities	40,967	49,334	45,133
Protection of Sexually Exploited Children	2,063	1,689	1,776
Program Support	3,095	2,679	2,915
Board Governance	125	111	90
Amortization of Capital Assets	-	28	29
Inter-Authority Services	100	113	139
Valuation Adjustments (Note 2)	-	289	1,026
	<u>224,260</u>	<u>254,995</u>	<u>240,026</u>
<b>TOTAL EXPENSES</b>			
	<u>224,260</u>	<u>254,995</u>	<u>240,026</u>
<b>Net Operating Results</b>	<u>-</u>	<u>(11,247)</u>	<u>(5,683)</u>

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

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 9,257	\$ 19,974
Accounts Receivable (Note 4)	7,782	5,974
Tangible Capital Assets (Note 5)	70	98
	<u><b>\$ 17,109</b></u>	<u><b>\$ 26,046</b></u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 19,755</u>	<u>\$ 17,445</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	8,601	14,284
Net Operating Results	<u>(11,247)</u>	<u>(5,683)</u>
Net (Liabilities) Assets at End of Year	<u><b>(2,646)</b></u>	<u><b>8,601</b></u>
	<u><b>\$ 17,109</b></u>	<u><b>\$ 26,046</b></u>

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

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ (11,247)	\$ (5,683)
Non-Cash Items included in Net Operating Results:		
Amortization	28	29
Valuation Adjustments	289	1,026
	<u>(10,930)</u>	<u>(4,628)</u>
Decrease (Increase) in Accounts Receivable	(1,920)	5,449
(Decrease) Increase in Accounts Payable and Accrued Liabilities	2,133	1,325
Cash (Applied to) Provided by Operating Transactions	<u>(10,717)</u>	<u>2,146</u>
<b>(Decrease) Increase in Cash</b>	(10,717)	2,146
<b>Cash, Beginning of Year</b>	19,974	17,828
<b>Cash, End of Year</b>	<u><u>\$ 9,257</u></u>	<u><u>\$ 19,974</u></u>

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

## CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Calgary and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared primarily in accordance with Canadian public sector accounting standards.

#### a) Reporting Entity

The reporting entity is the Calgary and Area Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### b) Basis of Financial Reporting

##### *Revenues*

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

## CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### 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 in return. Internal government transfers are recognized as revenue when received.

#### **Expenses**

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statement of Operations and Schedule 1.

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

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations related to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amount can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

#### **Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Authority 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 system development is \$250,000 and

## CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

#### ***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### ***Valuation of Financial Assets and Liabilities***

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

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

#### ***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

#### ***Budget***

*(in thousands)*

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$224,260 on May 26, 2010.

#### ***Measurement Uncertainty***

*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

\$7,782 and \$19,755 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES**

(in thousands)

The grant is determined as follows:

Initial (original) budget	\$ 223,255
Additional funding for the current year	<u>19,673</u>
Grant for the year	<u><u>\$ 242,928</u></u>

**NOTE 4 ACCOUNTS RECEIVABLE**

(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 5,626	\$ -	\$ 5,626	\$ 4,576
Refunds from suppliers	2,131	-	2,131	1,344
Child and Family Services Authorities	25	-	25	54
	<u><u>\$ 7,782</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,782</u></u>	<u><u>\$ 5,974</u></u>

Accounts receivable are unsecured and non-interest bearing.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 TANGIBLE CAPITAL ASSETS**  
(in thousands)

	<b>Equipment*</b>	<b>Leasehold Improvements</b>	<b>Computer hardware and software</b>	<b>2011 Total</b>	<b>2010 Total</b>
<b>Estimated Useful Life</b>	10 Years	7 Years	5 Years		
<b>Historical Cost</b>					
Beginning of Year	\$ 199	\$ 59	\$ 329	\$ 587	\$ 587
Additions	-	-	-	-	-
	<u>199</u>	<u>59</u>	<u>329</u>	<u>587</u>	<u>587</u>
<b>Accumulated Amortization</b>					
Beginning of Year	109	51	329	489	460
Amortization Expense	20	8	-	28	29
	<u>129</u>	<u>59</u>	<u>329</u>	<u>517</u>	<u>489</u>
<b>Net Book Value at March 31, 2011</b>	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	
<b>Net Book Value at March 31, 2010</b>	<u>\$ 90</u>	<u>\$ 8</u>	<u>\$ -</u>		<u>\$ 98</u>

\*Equipment includes office equipment, furniture and other equipment



**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payable	\$ 12,292	\$ 10,995
Accrued Vacation Pay and Manpower Expenses	7,410	6,385
Department of Children and Youth Services	43	42
Child and Family Services Authorities	6	19
Other	4	4
	<u>\$ 19,755</u>	<u>\$ 17,445</u>

**NOTE 7 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases	\$ -	\$ 1

**NOTE 8 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in ten legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010–nine legal claims). The ten claims have specified amounts totalling \$386,709 (2010–nine claims with a specified amount of \$378,747).. Included in the total legal claims are eight claims amounting to \$373,767 (2010–eight claims amounting to \$366,047) in which the Authority has been jointly named with other entities. Six claims amounting to \$49,631 (2010–six claims amounting to \$49,811) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 THIRD PARTY AGREEMENTS**

(in thousands)

The Authority has entered into third party agreements with Student Health Partnership and Seniors and Community Supports to deliver various program services. The revenues (not in brackets in the table below) of \$0 (2010 – \$669) and expenses (in brackets in the table below) of \$170 (2010 - \$357) are included in the financial statements.

	<u>2011</u>	<u>2010</u>
Student Health Partnership	\$ -	\$ 669
Seniors and Community Supports	(170)	(357)
	<u>\$ (170)</u>	<u>\$ 312</u>

**NOTE 10 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$4,170 for the year ended March 31, 2011 (2010 – \$3,464).

**NOTE 11 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 12 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Salaries, Wages and Employee Benefits	\$ 48,000	\$ 49,709	\$ 46,955
Supplies and Services	109,567	121,188	118,416
Supplies and Services from support service arrangements with related parties <sup>(a)</sup>	-	170	357
Grants	66,593	83,456	73,078
Amortization of Capital Assets	-	28	29
Inter-Authority Services	100	113	139
Other	-	331	1,052
<b>Total Expenses</b>	<b><u>\$ 224,260</u></b>	<b><u>\$ 254,995</u></b>	<b><u>\$ 240,026</u></b>

(a) The Authority receives residential placement services from the Department of Seniors and Community Supports.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	2011			2010	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total
	(in thousands)				
Co-Chair of the Authority	\$ -	\$ 17	\$ -	\$ 17	\$ 14
Co-Chair of the Authority	-	26	-	26	25
Board Members (10 members)	-	37	-	37	44
Chief Executive Officer	191	51	7	249	228

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

(1) Base Salary includes regular pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011.  
Co-chairs and board members receive honoraria only.

The Department of Children and Youth Services paid \$11 of the total honoraria expenses disclosed in this schedule.

(3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**

**SCHEDULE 3**

Year ended March 31, 2011

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

The Authority 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 Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 242,928	\$ 232,794	\$ -	\$ -
Recoveries - Inter-Authority Services	113	139	-	-
Miscellaneous Revenue:				
Department of Education	-	-	-	479
	<u>\$ 243,041</u>	<u>\$ 232,933</u>	<u>\$ -</u>	<u>\$ 479</u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 93	\$ 91	\$ -	\$ -
Department of Children and Youth Services	1,416	1,416	-	-
Department of Advanced Education and Technology	-	-	195	194
Department of Education	-	-	636	961
Department of Health and Wellness	-	-	1,441	1,296
Department of Service Alberta	-	-	129	119
Department of Infrastructure	-	-	18	12
	<u>\$ 1,509</u>	<u>\$ 1,507</u>	<u>\$ 2,419</u>	<u>\$ 2,582</u>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 5,583	\$ 4,534	\$ -	\$ -
Department of Education	-	-	-	190
Southwest Alberta Child and Family Services Authority	-	29	-	-
Southeast Alberta Child and Family Services Authority	2	4	-	-
Edmonton and Area Child and Family Services Authority	6	-	-	-
Central Alberta Child and Family Services Authority	(5)	2	-	-
Northeast Alberta Child and Family Services Authority	16	-	-	-
	<u>\$ 5,602</u>	<u>\$ 4,569</u>	<u>\$ -</u>	<u>\$ 190</u>

The Authority 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 disclosed in Schedule 4.

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses (Notional):</b>		
Accommodation	\$ 4,839	\$ 4,545
Administrative	1,127	2,585
Legal Services	1,765	1,494
	<u>\$ 7,731</u>	<u>\$ 8,624</u>

**CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**  
Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)						Total Expenses	Total Expenses
	2011			2010				
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others	Valuation Adjustments <sup>(6)</sup>	Expenses - Incurred by Others	Valuation Adjustments <sup>(6)</sup>	Expenses	Expenses	
		Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts		
Child Care	\$ 37,744	\$ 313	\$ 73	\$ -	\$ 11	\$ 112	\$ 33,240	
Prevention of Family Violence and Bullying	874	9	2	-	-	-	885	
Parenting Resources Initiative	6,175	-	-	-	-	-	6,175	
Fetal Alcohol Spectrum Disorder Initiatives	2,159	-	-	-	-	-	2,159	
Child Intervention Services	110,523	3,800	885	1,765	139	-	117,112	
Foster Care Support	43,277	159	37	-	6	-	43,479	
Family Support for Children with Disabilities	49,334	478	111	-	18	-	49,941	
Protection of Sexually Exploited Children	1,689	9	2	-	-	-	1,700	
Program Support	2,679	71	17	-	3	-	2,770	
Board Governance	111	-	-	-	-	-	111	
Inter-Authority Services	113	-	-	-	-	-	113	
Amortization	28	-	-	-	-	-	28	
	<b>\$ 254,706</b>	<b>\$ 4,839</b>	<b>\$ 1,127</b>	<b>\$ 1,765</b>	<b>\$ 177</b>	<b>\$ 112</b>	<b>\$ 262,726</b>	
							<b>\$ 248,650</b>	

(1) Expenses - Directly incurred as per the Statement of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure represent the Calgary and Area Child and Family Services Authority's building costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustments as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.

- Doubtful Accounts provision is allocated to specific program.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Central Alberta Child and Family Services Authority and the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Central Alberta Child and Family Services Authority, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Central Alberta Child and Family Services Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 6, 2011  
Edmonton, Alberta



**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 67,812	\$ 74,585	\$ 71,952
<b>Other Revenue</b>			
Inter-Authority Services	75	38	86
Other Revenue - Donations / External	1,600	2,028	2,026
	<b>69,487</b>	<b>76,651</b>	<b>74,064</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	8,016	8,824	7,049
Prevention of Family Violence and Bullying	716	607	691
Parenting Resources Initiative	1,015	2,591	2,132
Fetal Alcohol Spectrum Disorder Initiatives	243	246	289
Child Intervention Services	29,830	33,827	33,553
Foster Care Support	16,318	18,036	16,946
Family Support for Children with Disabilities	10,181	8,433	10,028
Protection of Sexually Exploited Children	993	971	1,019
Program Support	1,900	2,030	1,883
Board Governance	200	215	182
Amortization of Capital Assets	-	1	1
Inter-Authority Services	75	38	86
Valuation Adjustments (Note 2)	-	190	(113)
	<b>69,487</b>	<b>76,009</b>	<b>73,746</b>
<b>TOTAL EXPENSES</b>			
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 642</b>	<b>\$ 318</b>

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

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

		(in thousands)	
		<u>2011</u>	<u>2010</u>
<b>Assets</b>			
	Cash	\$ 6,475	\$ 4,971
	Accounts Receivable (Note 4)	2,731	2,312
	Tangible Capital Assets (Note 5)	-	1
		<u>\$ 9,206</u>	<u>\$ 7,284</u>
<b>Liabilities</b>			
	Accounts Payable and Accrued Liabilities (Note 6)	\$ 6,487	\$ 5,207
<b>Net Assets</b>			
	Net Assets at Beginning of Year	2,077	1,759
	Net Operating Results	642	318
	Net Assets at End of Year	<u>2,719</u>	<u>2,077</u>
		<u>\$ 9,206</u>	<u>\$ 7,284</u>

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

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 642	\$ 318
Non Cash Items included in Net Operating Results:		
Amortization	1	1
Valuation Adjustments	190	(113)
	<u>833</u>	<u>206</u>
Decrease (Increase) in Accounts Receivable	(462)	932
Decrease in Prepays	-	1
Increase in Accounts Payable and Accrued Liabilities	1,133	599
Cash Provided by Operating Transactions	<u>1,504</u>	<u>1,738</u>
<b>Increase in Cash</b>	1,504	1,738
<b>Cash, Beginning of Year</b>	4,971	3,233
<b>Cash, End of Year</b>	<u><u>\$ 6,475</u></u>	<u><u>\$ 4,971</u></u>

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

## CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

#### a) Reporting Entity

The reporting entity is the Central Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### b) Basis of Financial Reporting

##### **Revenues**

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

##### 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 in return. Internal government transfers are recognized as revenue when received.

## CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### ***Expenses***

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statement of Operations and Schedule 1.

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

- amortization of tangible capital assets.
- pension costs, which are the cost of employer contributions for current services of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amount can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

#### ***Assets***

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

## CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### ***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### ***Valuation of Financial Assets and Liabilities***

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

The fair value of cash, accounts receivable, advances and accounts payable and accrued liabilities are estimated to approximate their carrying value because of the short term nature of these instruments.

#### ***Net Assets***

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

#### ***Budget***

*(in thousands)*

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$69,487 on March 25, 2010.

#### ***Measurement Uncertainty***

*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The accounts receivable and accounts payable and accrued liabilities recorded as \$2,731 and \$6,487 respectively in these financial statements are subject to measurement uncertainty. The receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 67,812
Additional funding for the current year	6,773
Grant for the year	<u>\$ 74,585</u>

**NOTE 4 ACCOUNTS RECEIVABLE  
(in thousands)**

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 2,015	\$ -	\$ 2,015	\$ 1,462
Other Receivables	710	-	\$ 710	835
Refunds from suppliers	-	-	\$ -	-
Child and Family Services Authorities	6	-	\$ 6	15
	<u>\$ 2,731</u>	<u>\$ -</u>	<u>\$ 2,731</u>	<u>\$ 2,312</u>

Accounts receivable are unsecured and non-interest bearing.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 TANGIBLE CAPITAL ASSETS**  
(in thousands)

	<u>Equipment*</u>	<u>2011 Total</u>	<u>2010 Total</u>
<b>Estimated Useful Life</b>	10 years		
<b>Historical Cost</b>			
Beginning of Year	\$	7	\$ 7
Writeoff		-	-
		<u>7</u>	<u>7</u>
<b>Accumulated Amortization</b>			
Beginning of Year		6	5
Amortization Expense		1	1
		<u>7</u>	<u>6</u>
<b>Net Book Value at March 31, 2011</b>	<u>\$</u>	<u>-</u>	
<b>Net Book Value at March 31, 2010</b>			<u>\$ 1</u>

\*Equipment includes office equipment, furniture and other equipment.



**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payable	\$ 3,465	\$ 2,821
Accrued Vacation Pay and Manpower Expenses	2,693	1,744
Department of Children and Youth Services	171	197
Child and Family Services Authorities	15	105
Other	143	340
	<u>\$ 6,487</u>	<u>\$ 5,207</u>

**NOTE 7 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases	<u>\$ -</u>	<u>\$ 11</u>

**NOTE 8 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010–four legal claims). The three claims have specified amounts totalling \$334,050 (2010–four claims with a specified amount of \$326,151). Included in the total legal claims are three claims amounting to \$334,050 in which the Authority has been jointly named with other entities. One claim amounting to \$1,150 (2010–one claim amounting to \$1,150) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$1,674 for the year ended March 31, 2011 (2010 – \$1,381).

**NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
Salaries, Wages and Employee Benefits	\$ 18,404	\$ 19,051	\$ 18,495
Supplies and Services	35,066	39,960	38,973
Supplies and Services from support service arrangements with related parties	-	5	-
Grants	16,017	16,764	16,304
Amortization of Capital Assets	-	1	1
Inter-Authority Services	-	38	86
Other	-	190	(113)
<b>Total Expenses</b>	<b>\$ 69,487</b>	<b>\$ 76,009</b>	<b>\$ 73,746</b>

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	<b>2011</b>			<b>2010</b>	
	<u>Base Salary<sup>(1)</sup></u>	<u>Other Cash Benefits<sup>(2)</sup></u>	<u>Other Non-Cash Benefits<sup>(3)</sup></u> (in thousands)	<u>Total</u>	<u>Total</u>
Co-Chair of the Authority	\$ -	\$ 30	\$ -	\$ 30	\$ 27
Co-Chair of the Authority	-	34	-	34	32
Board Members (13 members)	-	89	-	89	81
Chief Executive Officer <sup>(4)</sup>	129	9	31	169	166

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$11 of the total honoraria expenses disclosed in this schedule.
- (3) 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 term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**

**SCHEDULE 3**

Year ended March 31, 2011

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

The Authority 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 Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	<b>Entities in the Ministry</b>		<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>				
Grant from Department of Children and Youth Services	\$ 74,585	\$ 71,952	\$ -	\$ -
Recoveries - Inter-Authority Services	38	86	-	-
	<b>\$ 74,623</b>	<b>\$ 72,038</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 245	\$ 442	\$ -	\$ -
Department of Children and Youth Services	472	472	-	-
Department of Advanced Education and Technology	-	-	1	4
Department of Education	-	-	1,133	1,038
Department of Health and Wellness	-	-	-	118
Department of Service Alberta	-	-	136	107
	<b>\$ 717</b>	<b>\$ 914</b>	<b>\$ 1,270</b>	<b>\$ 1,267</b>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 1,844	\$ 1,265	\$ -	\$ -
Calgary & Area Child and Family Services Authority	4	9	-	-
East Central Alberta Child and Family Services Authority	1	-	-	-
Edmonton & Area Child and Family Services Authority	1	5	-	-
Northeast Alberta Child and Family Services Authority	-	1	-	-
Calgary and Area Child and Family Services Authority	-	(11)	-	-
Edmonton & Area Child and Family Services Authority	(15)	(94)	-	-
	<b>\$ 1,835</b>	<b>\$ 1,175</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority 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 disclosed in Schedule 4.

	(in thousands)	
	<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>
<b>Expenses (Notional):</b>		
Accommodation	\$ 2,649	\$ 2,686
Administrative	425	1,009
Legal Services	26	75
	<b>\$ 3,100</b>	<b>\$ 3,770</b>

**CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)										
	2011										2010
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others			Valuation Adjustments			Total	Total	Expenses	
\$	Accommodation Costs <sup>(2)</sup>	Admin Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay <sup>(5)</sup>	Writeoff Losses <sup>(6)</sup>	Expenses	Expenses	Expenses	Expenses	Expenses	
Child Care	\$ 8,824	\$ 166	\$ 27	\$ -	\$ 9	\$ 44	\$ 9,070	\$ 9,070	\$ 7,310	\$ 7,310	
Prevention of Family Violence and Bullying	607	92	15	-	5	-	719	719	738	738	
Parenting Resources Initiative	2,591	-	-	-	-	-	2,591	2,591	2,132	2,132	
Fetal Alcohol Spectrum Disorder Initiatives	246	-	-	-	-	-	246	246	289	289	
Child Intervention Services	33,827	1,789	287	26	99	-	36,028	36,028	35,998	35,998	
Foster Care Support	18,036	198	31	-	11	-	18,276	18,276	17,209	17,209	
Family Support for Children with Disabilities	8,433	242	39	-	13	-	8,727	8,727	10,395	10,395	
Protection of Sexually Exploited Children	971	-	-	-	-	-	971	971	1,029	1,029	
Program Support	2,030	162	26	-	9	-	2,227	2,227	2,147	2,147	
Board Governance	215	-	-	-	-	-	215	215	182	182	
Inter-Authority Services	38	-	-	-	-	-	38	38	86	86	
Amortization of Capital Assets	1	-	-	-	-	-	1	1	1	1	
	<b>\$ 75,819</b>	<b>\$ 2,649</b>	<b>\$ 425</b>	<b>\$ 26</b>	<b>\$ 146</b>	<b>\$ 44</b>	<b>\$ 79,109</b>	<b>\$ 79,109</b>	<b>\$ 77,516</b>	<b>\$ 77,516</b>	

<sup>(1)</sup> Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustments.

<sup>(2)</sup> Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the Central Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

<sup>(3)</sup> Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

<sup>(4)</sup> Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

<sup>(5)</sup> Valuation Adjustments, as per the Statement of Operations, Employee Benefits and Subsidy Writeoff provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.

- Writeoff is allocated to specific program.

# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the East Central Alberta Child and Family Services Authority and the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the East Central Alberta Child and Family Services Authority which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the East Central Alberta Child and Family Services Authority as at March 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 1, 2011  
Edmonton, Alberta



**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 21,074	\$ 22,510	\$ 21,887
<b>Other Revenue</b>			
Inter-Authority Services	-		1
Other Revenue	16	45	32
	<u>21,090</u>	<u>22,555</u>	<u>21,920</u>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	1,910	2,509	1,977
Prevention of Family Violence and Bullying	30	95	70
Parenting Resources Initiative	433	1,307	1,025
Fetal Alcohol Spectrum Disorder Initiatives	50	50	50
Child Intervention Services	9,218	7,649	8,703
Foster Care Support	3,093	3,165	3,109
Family Support for Children with Disabilities	4,794	4,922	4,739
Protection of Sexually Exploited Children	83	80	82
Program Support	1,390	1,262	1,336
Board Governance	89	87	86
Inter-Authority Services	-	-	1
Valuation Adjustments (Note 2)	-	27	4
	<u>21,090</u>	<u>21,153</u>	<u>21,182</u>
<b>TOTAL EXPENSES</b>	<u>21,090</u>	<u>21,153</u>	<u>21,182</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 1,402</u>	<u>\$ 738</u>

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

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 3,728	\$ 1,716
Accounts Receivable (Note 4)	709	680
	<u>\$ 4,437</u>	<u>\$ 2,396</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 2,142</u>	<u>\$ 1,503</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	893	155
Net Operating Results	1,402	738
Net Assets at End of Year	<u>2,295</u>	<u>893</u>
	<u>\$ 4,437</u>	<u>\$ 2,396</u>

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

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 1,402	\$ 738
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	<u>27</u>	<u>4</u>
	1,429	742
Decrease (Increase) in Accounts Receivable	(43)	1,047
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>626</u>	<u>(455)</u>
Cash Provided by Operating Transactions	<u>2,012</u>	<u>1,334</u>
<b>Increase in Cash</b>	2,012	1,334
<b>Cash, Beginning of Year</b>	1,716	382
<b>Cash, End of Year</b>	<u><u>\$ 3,728</u></u>	<u><u>\$ 1,716</u></u>

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

## EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The East Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

#### (a) Reporting Entity

The reporting entity is the East Central Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(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 in return. Internal government transfers are recognized as revenue when received.

***Expenses***

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

***Assets***

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

## EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

Assets acquired by right are not included. Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

#### ***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### ***Valuation of Financial Assets and Liabilities***

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

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

#### ***Net Asset***

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

#### ***Budget (in thousands)***

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$21,090 on March 25, 2010.

#### ***Measurement Uncertainty*** *(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Continued)**

The accounts receivable and accounts payable and accrued liabilities recorded as \$709 and \$2,142 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear and aging analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 21,074
Additional funding for the current year	<u>1,436</u>
Grant for the year	<u><u>\$ 22,510</u></u>

**NOTE 4 ACCOUNTS RECEIVABLE  
(in thousands)**

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 595	\$ -	\$ 595	\$ 463
Refunds from Suppliers	114	-	114	217
	<u>\$ 709</u>	<u>\$ -</u>	<u>\$ 709</u>	<u>\$ 680</u>

Accounts receivable are unsecured and non-interest bearing.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payable	\$ 1,698	\$ 1,206
Accrued Vacation Pay and Manpower Expenses	338	221
Department of Children and Youth Services	97	27
Child and Family Services Authorities	9	49
	<u>\$ 2,142</u>	<u>\$ 1,503</u>

**NOTE 6 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases	<u>\$ -</u>	<u>\$ 4</u>

**NOTE 7 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010—two-legal claims). The two claims have specified amount totalling \$332,900 (2010—two claims with a specified amount of \$325,000). Included in the total legal claims are two claims amounting to \$332,900 in which the Authority has been jointly named with other entities. Neither claim is covered by Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.



**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$489 for the year ended March 31, 2011 (2010 – \$429).

**NOTE 9 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 10 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Salaries, Wages and Employee Benefits	\$ 5,854	\$ 5,612	\$ 5,551
Supplies and Services	9,307	8,392	9,082
Grants	5,929	7,122	6,544
Inter-Authority Services	-	-	1
Other	-	27	4
<b>Total Expenses</b>	<b><u>\$ 21,090</u></b>	<b><u>\$ 21,153</u></b>	<b><u>\$ 21,182</u></b>

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	<b>2011</b>				<b>2010</b>
	<u>Base Salary<sup>(1)</sup></u>	<u>Other Cash Benefits<sup>(2)</sup></u>	<u>Other Non-Cash Benefits<sup>(3)</sup></u> (in thousands)	<u>Total</u>	<u>Total</u>
Co-Chair of the Authority	\$ -	\$ 34	\$ -	\$ 34	\$ 33
Co-Chair of the Authority	-	24	-	24	23
Board Members (5 members)	-	25	-	25	28
Chief Executive Officer <sup>(4)</sup>	124	2	31	157	197

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$16 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental coverage, group life insurance, short term disability plans, professional memberships, and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**  
Year ended March 31, 2011

**SCHEDULE 3**

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

The Authority 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 Authority 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:

	(in thousands)			
	<b>Entities in the Ministry</b>		<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 22,510	\$ 21,887	\$ -	\$ -
	<b>\$ 22,510</b>	<b>\$ 21,887</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 180	\$ 244	\$ -	\$ -
Department of Children and Youth Services	177	177	-	-
Department of Education	-	-	43	296
Department of Health and Wellness	-	-	49	50
Department of Service Alberta	-	-	59	44
	<b>\$ 357</b>	<b>\$ 421</b>	<b>\$ 151</b>	<b>\$ 390</b>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 498	\$ 436	\$ -	\$ -
Central Alberta Child and Family Services Authority	(1)		-	-
Edmonton and Area Child and Family Services Authority	(11)	(49)	-	-
	<b>\$ 486</b>	<b>\$ 387</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority 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.

	(in thousands)	
	<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>
<b>Expenses (Notional):</b>		
Accommodation	\$ 662	\$ 718
Administrative	120	294
Legal Services	38	26
	<b>\$ 820</b>	<b>\$ 1,038</b>

**EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**  
Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)									
	2011					2010				
	Expenses <sup>(1)</sup>	Accommodation Costs <sup>(2)</sup>	Expenses - Incurred by Others	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Valuation Adjustments <sup>(5)</sup>	Doubtful Accounts	Total Expenses	Total Expenses	Total Expenses
Child Care	\$ 2,509	\$ 51	\$ 9	\$ 3	\$ 1	\$ 1	\$ 1	\$ 2,574	\$ 2,574	\$ 2,032
Prevention of Family Violence and Bullying	95	13	2	1	-	-	-	111	111	73
Parenting Resources Initiative	1,307	-	-	-	-	-	-	1,307	1,307	1,025
Fetal Alcohol Spectrum Disorder Initiatives	50	-	-	-	-	-	-	50	50	50
Child Intervention Services	7,649	379	69	22	8	9	9	8,136	8,136	9,268
Foster Care Support	3,165	21	4	1	-	-	-	3,191	3,191	3,165
Family Support for Children with Disabilities	4,922	90	16	5	2	2	2	5,037	5,037	4,890
Protection of Sexually Exploited Children	80	-	-	-	-	-	-	80	80	82
Program Support	1,262	108	20	6	2	2	2	1,400	1,400	1,548
Board Governance	87	-	-	-	-	-	-	87	87	86
Inter-Authority Services	-	-	-	-	-	-	-	-	-	1
	<b>\$ 21,126</b>	<b>\$ 662</b>	<b>\$ 120</b>	<b>\$ 38</b>	<b>\$ 13</b>	<b>\$ 14</b>	<b>\$ 14</b>	<b>\$ 21,973</b>	<b>\$ 21,973</b>	<b>\$ 22,220</b>

(1) Expenses - Directly Incurred as per the Statements of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the East Central Alberta Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statements of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific program.



# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Edmonton and Area Child and Family Services Authority and the Minister of Children and Youth Services:

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Edmonton and Area Child and Family Services Authority which comprise the statement of financial position as at March 31, 2011 and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Edmonton and Area Child and Family Services Authority as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

May 26, 2011  
Edmonton, Alberta



**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 283,992	\$ 328,116	\$ 299,299
<b>Other Revenue</b>			
Inter-Authority Services	459	735	1,361
Other Revenue - Donations / External	488	1,515	2,815
	<b>284,939</b>	<b>330,366</b>	<b>303,475</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	47,170	57,143	50,114
Prevention of Family Violence and Bullying	530	567	507
Parenting Resources Initiative	3,035	6,535	5,497
Fetal Alcohol Spectrum Disorder Initiatives	934	1,398	1,233
Child Intervention Services	128,667	156,535	153,382
Foster Care Support	59,577	63,716	60,492
Family Support for Children with Disabilities	38,002	39,039	38,642
Protection of Sexually Exploited Children	2,362	2,133	2,353
Program Support	4,078	3,554	4,007
Board Governance	125	170	125
Inter-Authority Services	459	735	1,361
Valuation Adjustments (Note 2)	-	104	505
	<b>284,939</b>	<b>331,629</b>	<b>318,218</b>
<b>TOTAL EXPENSES</b>			
	<b>284,939</b>	<b>331,629</b>	<b>318,218</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ (1,263)</b>	<b>\$ (14,743)</b>

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

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 3,263	\$ 2,442
Accounts Receivable (Note 4)	10,802	8,481
	<u><b>\$ 14,065</b></u>	<u><b>\$ 10,923</b></u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 25,671</u>	<u>\$ 21,266</u>
<b>Net Assets (Liabilities)</b>		
Net (Liabilities) Assets at Beginning of Year	(10,343)	4,400
Net Operating Results	<u>(1,263)</u>	<u>(14,743)</u>
Net Liabilities at End of Year	<u>(11,606)</u>	<u>(10,343)</u>
	<u><b>\$ 14,065</b></u>	<u><b>\$ 10,923</b></u>

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

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ (1,263)	\$ (14,743)
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	104	505
	<u>(1,159)</u>	<u>(14,238)</u>
(Increase) Decrease in Accounts Receivable	(2,321)	10,545
Increase in Accounts Payable and Accrued Liabilities	4,301	1,824
Cash Provided by (Applied to) Operating Transactions	<u>821</u>	<u>(1,869)</u>
<b>Increase (Decrease) in Cash</b>	821	(1,869)
<b>Cash, Beginning of Year</b>	2,442	4,311
<b>Cash, End of Year</b>	<u><u>\$ 3,263</u></u>	<u><u>\$ 2,442</u></u>

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

## EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Edmonton and Area Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared primarily in accordance with Canadian public sector accounting standards..

#### (a) Reporting Entity

The reporting entity is the Edmonton and Area Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### (a) Basis of Financial Reporting

##### **Revenues**

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

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 in return. Internal government transfers are recognized as revenue when received.

***Expenses***

Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statements of Operations and Schedule 1.

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

- Pension costs, which are the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- Grants are recognized as expenses when authorised, eligibility criteria if any are met, and a reasonable estimate of the amount can be made.

Incurring by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statements of Operations and are disclosed in Schedule 4.

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

***Assets***

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by rights are not included. Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

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

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

***Net Liabilities***

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

***Budget (in thousands)***

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statements of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$284,939 on March 25, 2010.

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

***Measurement Uncertainty***

*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$10,802 and \$25,671 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 283,992
Additional funding for the current year	<u>44,124</u>
Grant for the year	<u><u>\$ 328,116</u></u>

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 ACCOUNTS RECEIVABLE**

(in thousands)

	<u>2011</u>	<u>2010</u>	
	<u>Gross Amount</u>	<u>Net Realizable Value</u>	<u>Net Realizable Value</u>
Department of Children and Youth Services	\$ 9,194	\$ 9,194	\$ 7,245
Refunds from Suppliers	1,518	1,518	977
Child and Family Services Authorities	<u>90</u>	<u>90</u>	<u>259</u>
	<u>\$ 10,802</u>	<u>\$ 10,802</u>	<u>\$ 8,481</u>

Accounts receivable are unsecured and non-interest bearing.

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payables	\$ 13,504	\$ 11,438
Accrued Vacation Pay and Manpower Expenses	11,900	9,668
Department of Children and Youth Services	249	140
Child and Family Services Authorities	<u>18</u>	<u>20</u>
	<u>\$ 25,671</u>	<u>\$ 21,266</u>



**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011 the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases	<u>\$ -</u>	<u>\$ 8</u>

**NOTE 7 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in nineteen legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010 – seventeen legal claims). Nineteen claims have specified amounts totalling \$469,507 (2010 – seventeen claims with a specified amount of \$451,593). Included in the total legal claims are sixteen claims amounting to \$468,217 in which the Authority has been jointly named with other entities. Eleven claims amounting to \$125,601 (2010 – ten claims amounting to \$124,511) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**NOTE 8 THIRD PARTY AGREEMENTS**

(in thousands)

The Authority has entered into one third party agreement with Edmonton Student Health Partnership, to deliver integrated health and related support services for children with special health needs registered in school programs. All costs incurred under this agreement are covered by reimbursement from Edmonton Catholic Schools. The following amounts are included in the financial statements:

	<u>2011</u>	<u>2010</u>
Edmonton Student Health Partnership Revenues	\$ 675	\$ 2,112
Edmonton Student Health Partnership Expenses	(675)	(2,112)
	<u>\$ -</u>	<u>\$ -</u>

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$6,457 for the year ended March 31, 2011 (2010 – \$5,172).

**NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<u>2011 Budget</u>	<u>2011 Actual</u>	<u>2010 Actual</u>
Salaries, Wages and Employee Benefits	\$ 73,056	\$ 77,539	\$ 74,477
Supplies and Services <sup>(a)</sup>	143,418	169,806	170,741
Grants	68,006	83,445	71,134
Inter-Authority Services	459	735	1,361
Other	-	104	505
<b>Total Expenses</b>	<b><u>\$ 284,939</u></b>	<b><u>\$ 331,629</u></b>	<b><u>\$ 318,218</u></b>

(a) The Authority receives residential placement services from the Department of Solicitor General and Public Security.

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	2011				2010
	<u>Base Salary</u> <sup>(1)</sup>	<u>Other Cash Benefits</u> <sup>(2)</sup>	<u>Other Non-Cash Benefits</u> <sup>(3)</sup> (in thousands)	<u>Total</u>	<u>Total</u>
Co-Chair of the Authority	\$ -	\$ 20	\$ -	\$ 20	\$ 17
Co-Chair of the Authority	-	22	-	22	15
Board Members (11 members)	-	117	-	117	87
Chief Executive Officer <sup>(4)</sup>	202	45	41	288	234

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payments and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$10 of the total honoraria expenses disclosed in this schedule.
- (3) 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 term disability plans, professional memberships and tuition fees.
- (4) The former CEO resigned from the position on March 24, 2010. Salary and benefit payments for this individual concluded in June 2010. The Assistant Deputy Minister of Ministry Support Services from the Department of Children and Youth Services started overseeing the functions and assuming the responsibilities of the region on the same date. His salary and benefits are reflected on the Department's financial statements. The new CEO commenced April 26, 2010.

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
SCHEDULE TO FINANCIAL STATEMENTS**

**Related Party Transactions**

Year ended March 31, 2011

**SCHEDULE 3**

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

The Authority 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 Authority had the following transactions with related parties that are on the Statements of Operations and the Statements of Financial Position, measured at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 328,116	\$ 299,299	\$ -	\$ -
Recoveries - Inter-Authority Services	735	1,361	-	-
Miscellaneous Revenue:				
Department of Education	-	-	675	2,112
Department of Seniors and Community Supports	-	-	105	36
	<u>\$ 328,851</u>	<u>\$ 300,660</u>	<u>\$ 780</u>	<u>\$ 2,148</u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 185	\$ 150	\$ -	\$ -
Department of Children and Youth Services	1,828	1,828	-	-
Department of Advanced Education and Technology	-	-	99	104
Department of Education	-	-	443	439
Department of Health and Wellness	-	-	70	61
Department of Infrastructure	-	-	9	5
Department of Service Alberta	-	-	166	135
Department of Solicitor General and Public Security	-	-	21	109
	<u>\$ 2,013</u>	<u>\$ 1,978</u>	<u>\$ 808</u>	<u>\$ 853</u>

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY  
SCHEDULE TO FINANCIAL STATEMENTS**

**Related Party Transactions**

Year ended March 31, 2011

**SCHEDULE 3 (CONTINUED)**

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 8,945	\$ 7,105	\$ -	\$ -
Southwest Alberta Child and Family Services Authority	-	(2)	-	-
Southeast Alberta Child and Family Services Authority	-	22	-	-
Calgary and Area Child and Family Services Authority	(6)	-	-	-
Central Alberta Child and Family Services Authority	14	90	-	-
East Central Alberta Child and Family Services Authority	11	46	-	-
North Central Alberta Child and Family Services Authority	18	8	-	-
Northwest Alberta Child and Family Services Authority	7	(1)	-	-
Northeast Alberta Child and Family Services Authority	-	22	-	-
Metis Settlements Child And Family Services Authority	28	54	-	-
Department of Education	-	-	-	405
Department of Health and Wellness	-	-	-	5
Department of Solicitor General and Public Security	-	-	-	(25)
Department of Seniors and Community Supports	-	-	29	18
	<u>\$ 9,017</u>	<u>\$ 7,344</u>	<u>\$ 29</u>	<u>\$ 403</u>

The Authority 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 disclosed in schedule 4

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses (Notional):</b>		
Accommodation	\$ 8,294	\$ 8,791
Administrative	1,817	4,276
Legal Services	2,376	2,187
	<u>\$ 12,487</u>	<u>\$ 15,254</u>

**EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**  
 Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)									
	2011					2010				
	Expenses <sup>(1)</sup>	Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Doubtful Accounts	Vacation Pay	Valuation Adjustments <sup>(5)</sup>	Total Expenses	Total Expenses	Total Expenses <sup>(6)</sup>
Child Care	\$ 57,143	\$ 491	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ 57,640	\$ -	\$ 50,637
Prevention of Family Violence and Bullying	567	11	-	-	-	-	-	578	-	520
Parenting Resources Initiative	6,535	-	-	-	-	-	-	6,535	-	5,497
Fetal Alcohol Spectrum Disorder Initiatives	1,398	-	-	-	-	-	-	1,398	-	1,233
Child Intervention Services	156,535	6,692	1,817	2,376	-	84	-	167,504	-	167,455
Foster Care Support	63,716	80	-	-	-	1	-	63,797	-	60,522
Family Support for Children with Disabilities	39,039	764	-	-	-	10	-	39,813	-	39,459
Protection of Sexually Exploited Children	2,133	118	-	-	-	1	-	2,252	-	2,481
Program Support	3,554	138	-	-	-	2	-	3,694	-	4,182
Board Governance	170	-	-	-	-	-	-	170	-	125
Inter-Authority Services	735	-	-	-	-	-	-	735	-	1,361
	<b>\$ 331,525</b>	<b>\$ 8,294</b>	<b>\$ 1,817</b>	<b>\$ 2,376</b>	<b>\$ -</b>	<b>\$ 104</b>	<b>\$ -</b>	<b>\$ 344,116</b>	<b>\$ -</b>	<b>\$ 333,472</b>

(1) Expenses - Directly incurred as per the Statements of Operations, excluding valuation adjustments.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the Edmonton and Area Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the *Child, Youth and Family Enhancement Act*.

(5) Valuation Adjustments as per the Statements of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:  
 - Vacation pay is allocated by the number of employees per program.  
 - Doubtful Accounts provision is allocated to specific programs.





# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the North Central Alberta Child and Family Services Authority and the Minister of Children and Youth Services:

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the North Central Alberta Child and Family Services Authority, which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the North Central Alberta Child and Family Services Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

May 25, 2011  
Edmonton, Alberta

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 46,322	\$ 51,985	\$ 50,078
<b>Other Revenue</b>			
Inter-Authority Services	395	676	374
Other Revenue - Donations / External	42	511	250
	<b>46,759</b>	<b>53,172</b>	<b>50,702</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	3,982	5,020	4,754
Prevention of Family Violence and Bullying		53	91
Parenting Resources Initiative	743	2,129	1,737
Fetal Alcohol Spectrum Disorder Initiatives	250	565	582
Child Intervention Services	22,682	26,130	25,105
Foster Care Support	11,786	12,618	11,892
Family Support for Children with Disabilities	5,394	4,836	5,689
Protection of Sexually Exploited Children	60	55	84
Program Support	1,267	1,121	1,195
Board Governance	200	166	178
Amortization of Capital Assets		5	3
Inter-Authority Services	395	676	374
Valuation Adjustments (Note 2)		107	147
<b>TOTAL EXPENSES</b>	<b>46,759</b>	<b>53,481</b>	<b>51,831</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ (309)</b>	<b>\$ (1,129)</b>

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

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 6,367	\$ 6,335
Accounts Receivable (Note 4)	2,107	1,383
Prepaid Expenses	52	61
Tangible Capital Assets (Note 5)	18	23
	<u><u>\$ 8,544</u></u>	<u><u>\$ 7,802</u></u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 4,713</u>	<u>\$ 3,662</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	4,140	5,269
Net Operating Results	<u>(309)</u>	<u>(1,129)</u>
Net Assets at End of Year	<u>3,831</u>	<u>4,140</u>
	<u><u>\$ 8,544</u></u>	<u><u>\$ 7,802</u></u>

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

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ (309)	\$ (1,129)
Non-Cash Items included in Net Operating Results:		
Amortization	5	3
Valuation Adjustments (net)	<u>107</u>	<u>147</u>
	(197)	(979)
Decrease (Increase) in Accounts Receivable (a)	(783)	1,655
Decrease (Increase) in Prepaid Expenses	9	(29)
Increase in Accounts Payable and Accrued Liabilities (a)	<u>1,003</u>	<u>291</u>
Cash provided by Operating Transactions	<u>32</u>	<u>938</u>
<b>Capital Transactions</b>		
Acquisition of Tangible Capital Assets	<u>                    </u>	<u>(25)</u>
<b>Increase in Cash</b>	32	913
<b>Cash, Beginning of Year</b>	6,335	5,422
<b>Cash, End of Year</b>	<u><u>\$ 6,367</u></u>	<u><u>\$ 6,335</u></u>

(a) Adjusted for valuation adjustment.

## NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The North Central Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting standards.

#### (a) Reporting Entity

The reporting entity is the North Central Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### (b) Basis of Financial Reporting

##### **Revenues**

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

##### 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 in return.

Internal government transfers are recognized as revenue when received.

## NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### ***Expenses***

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statements of Operations and Schedule 1.

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

- Amortization of tangible capital assets.
- Pension costs, which are the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statements of Operations and are disclosed in Schedule 4.

#### ***Assets***

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by rights are not included. Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

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

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

***Net Assets/Net Liabilities***

Net assets/net liabilities represent the difference between the carrying value of assets held by the Authority and its liabilities.

***Budget (in thousands)***

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statements of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$46,759 on April 28, 2010.

***Measurement Uncertainty  
(in thousands)***

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$2,107 and \$4,713 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.



**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 46,322
Additional funding for the current year	<u>5,663</u>
Grant for the year	<u><u>\$ 51,985</u></u>

**NOTE 4 ACCOUNTS RECEIVABLE  
(in thousands)**

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 1,594	-	\$ 1,594	\$ 1,150
Child and Family Services Authorities	75	-	75	13
Refunds from Suppliers	387	-	387	111
Accounts Receivable - Other	51	-	51	109
	<u>\$ 2,107</u>	<u>\$ -</u>	<u>\$ 2,107</u>	<u>\$ 1,383</u>

Accounts receivable are unsecured and non-interest bearing.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 TANGIBLE CAPITAL ASSETS**  
(in thousands)

	<u>Equipment*</u>	<u>2011 Total</u>	<u>2010 Total</u>
<b>Estimated Useful Life</b>	5 Years		
<b>Historical Cost</b>			
Beginning of Year	\$ 88	\$ 88	\$ 63
Additions		-	25
Disposals, including writedowns	(58)	(58)	
	<u>30</u>	<u>30</u>	<u>88</u>
<b>Accumulated Amortization</b>			
Beginning of Year	65	65	62
Amortization Expense	5	5	3
Effect of Disposals	(58)	(58)	
	<u>12</u>	<u>12</u>	<u>65</u>
<b>Net Book Value at March 31, 2011</b>	<u>18</u>	<u>18</u>	
<b>Net Book Value at March 31, 2010</b>	<u>\$ 23</u>		<u>\$ 23</u>

\*Equipment includes office equipment, furniture and other equipment.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payable	\$ 1,690	\$ 1,053
Accrued Vacation Pay and Manpower Expenses	2,000	1,611
Department of Children and Youth Services	58	122
Child and Family Services Authorities	112	51
Other	853	825
	<u>\$ 4,713</u>	<u>\$ 3,662</u>

**NOTE 7 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases <sup>(a)</sup>	<u>\$ -</u>	<u>\$ 3</u>

## **NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS**

### **NOTE 8 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in six legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010 – five legal claims). Five claims have specified amounts totalling \$372,295 (2010 – five claims with a specified amount of \$337,420). The remaining one has not specified any amount. The Authority is jointly named with other entities in these six claims. Three claims amounting to \$35,795 (2010 – two claims amounting to \$8,820) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

### **NOTE 9 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$1,089 for the year ended March 31, 2011 (2010 – \$909).

### **NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

### **NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<b>2011 Budget</b>	<b>2011 Actual</b>	<b>2010 Actual</b>
Salaries, Wages and Employee Benefits	\$ 13,338	\$ 14,250	\$ 13,565
Supplies and Services	24,358	27,907	27,930
Grants	8,668	10,536	9,812
Amortization of Capital Assets	-	5	3
Inter-Authority Services	395	676	374
Other	-	107	147
<b>Total Expenses</b>	<b>\$ 46,759</b>	<b>\$ 53,481</b>	<b>\$ 51,831</b>

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	(in thousands)				<b>2010</b>
	<b>2011</b>			Total	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>		
Co-Chair of the Authority	\$ -	\$ 37	\$ -	\$ 37	\$ 31
Co-Chair of the Authority	-	39	-	39	34
Board Members (4)	-	50	-	50	65
Chief Executive Officer	151	40	6	197	206

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

(1) Base salary includes regular pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011.

Co-chairs and board members receive honoraria only.

The Department of Children and Youth Services paid \$15 of the total honoraria expenses disclosed in this schedule.

(3) 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 term disability plans, professional memberships and tuition fees.

(4) Board membership for 2011 on average was 8 compared to 10 in 2010.

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**

**SCHEDULE 3**

Year ended March 31, 2011

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

The Authority 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 Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position, measured at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 51,985	\$ 50,078	\$ -	\$ -
Recoveries - Inter-Authority Services	676	374	-	-
	<u>\$ 52,661</u>	<u>\$ 50,452</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 674	\$ 573	\$ -	\$ -
Department of Children and Youth Services	425	473	-	-
Department of Advanced Education and Technology	-	-	14	10
Department of Education	-	-	9	9
Department of Health and Wellness	-	-	3	66
Department of Service Alberta	-	-	117	82
	<u>\$ 1,099</u>	<u>\$ 1,046</u>	<u>\$ 143</u>	<u>\$ 167</u>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 1,535	\$ 1,028	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	(18)	(8)	-	-
Northeast Alberta Child and Family Services Authority	20	-	-	-
Métis Settlements Child And Family Services Authority	(40)	(30)	-	-
	<u>\$ 1,497</u>	<u>\$ 990</u>	<u>\$ -</u>	<u>\$ -</u>

The Authority 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.

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses (Notional):</b>		
Accommodation	\$ 1,953	\$ 1,740
Administration	328	762
Legal Services	24	45
	<u>\$ 2,305</u>	<u>\$ 2,547</u>

**NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 4**

(in thousands)

Program	2011						2010	
	Expenses <sup>(1)</sup>	Accommodation Costs <sup>(2)</sup>	Expenses - Incurred by Others	Legal Services <sup>(4)</sup>	Vacation Pay	Valuation Adjustments <sup>(6)</sup>	Total Expenses	Total Expenses
			Administration Costs <sup>(3)</sup>			Doubtful Accounts		
Child Care	\$ 5,020	\$ 103	\$ 17	\$ 1	\$ 3	\$ 59	\$ 5,203	\$ 4,919
Prevention of Family Violence and Bullying	53	5	1				59	105
Parenting Resources Initiative	2,129						2,129	1,737
Fetal Alcohol Spectrum Disorder Initiatives	565						565	597
Child Intervention Services	26,130	1,523	256	19	37		27,965	27,201
Foster Care Support	12,618	138	23	2	3		12,784	12,062
Family Support for Children with Disabilities	4,836	105	18	1	3		4,963	5,813
Protection of Sexually Exploited Children	55						55	84
Program Support	1,121	79	13	1	2		1,216	1,305
Board Governance	166						166	178
Amortization of Capital Assets	5						5	3
Inter-Authority Services	676						676	374
	<b>\$ 53,374</b>	<b>\$ 1,953</b>	<b>\$ 328</b>	<b>\$ 24</b>	<b>\$ 48</b>	<b>\$ 59</b>	<b>\$ 55,786</b>	<b>\$ 54,378</b>

(1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the North Central Alberta Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the *Child, Youth and Family Enhancement Act*.

(5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.

- Doubtful Accounts provision is allocated to specific programs.



# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Northwest Alberta Child and Family Services Authority and the Minister of Children and Youth Services:

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Northwest Alberta Child and Family Services Authority which comprise the statement of financial position as at March 31, 2011 and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Northwest Alberta Child and Family Services Authority as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 1, 2011  
Edmonton, Alberta

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 38,254	\$ 41,080	\$ 40,683
<b>Other Revenue</b>			
Inter-Authority Services	350	67	193
Other Revenue - Donations / External	215	313	258
	<b>38,819</b>	<b>41,460</b>	<b>41,134</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	4,621	4,841	4,145
Prevention of Family Violence and Bullying	112	208	210
Parenting Resources Initiative	451	1,507	1,209
Fetal Alcohol Spectrum Disorder Initiatives	169	171	166
Child Intervention Services	19,087	20,115	19,878
Foster Care Support	5,652	6,230	5,888
Family Support for Children with Disabilities	4,373	4,149	4,019
Protection of Sexually Exploited Children	224	155	213
Program Support	3,477	3,193	3,560
Board Governance	299	231	227
Amortization of Capital Assets	4	4	23
Inter-Authority Services	350	67	193
Valuation Adjustments (Note 2)	-	47	224
	<b>38,819</b>	<b>40,918</b>	<b>39,955</b>
<b>TOTAL EXPENSES</b>			
	<b>38,819</b>	<b>40,918</b>	<b>39,955</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 542</b>	<b>\$ 1,179</b>

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

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 6,668	\$ 6,077
Accounts Receivable (Note 4)	1,603	1,424
Advances	2	
Tangible Capital Assets (Note 5)	9	13
	<u>\$ 8,282</u>	<u>\$ 7,514</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 3,793</u>	<u>\$ 3,567</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	3,947	2,768
Net Operating Results	<u>542</u>	<u>1,179</u>
Net Assets at End of Year	<u>\$ 4,489</u>	<u>\$ 3,947</u>
	<u>\$ 8,282</u>	<u>\$ 7,514</u>

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

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 542	\$ 1,179
Non-Cash Items included in Net Operating Results:		
Amortization	4	23
Valuation Adjustments	47	224
	<u>593</u>	<u>1,426</u>
(Increase) Decrease in Accounts Receivable	(230)	19
(Increase) in Advances	(2)	-
Increase in Accounts Payable and Accrued Liabilities	230	736
	<u>591</u>	<u>2,181</u>
<b>Increase in Cash</b>	591	2,181
<b>Cash, Beginning of Year</b>	6,077	3,896
<b>Cash, End of Year</b>	<u><u>\$ 6,668</u></u>	<u><u>\$ 6,077</u></u>

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

## NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Northwest Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

#### a) Reporting Entity

The reporting entity is the Northwest Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### b) Basis of Financial Reporting

##### **Revenues**

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

## NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

#### 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. Internal government transfers are recognized as revenue when received.

#### **Expenses**

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statements of Operations and Schedule 1.

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

- amortization of tangible capital assets.
- pension costs which are the cost of employer contributions for current services of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from provision for accrued vacation pay for the employees assigned to the Authority by the Department of Children and Youth Services.
- Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statements of Operations and are disclosed in Schedule 4.

#### **Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquire by right are not included. Tangible capital assets of the Authority 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 \$250,000 and the

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

***Valuation of Financial Assets and Liabilities***

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

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

***Net Assets***

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

***Budget (in thousands)***

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statements of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$38,819 on March 25, 2010.

***Measurement Uncertainty  
(in thousands)***

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$1,603 and \$3,793 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using



**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Cont'd)**

linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 38,254
Additional funding for the current year	<u>2,826</u>
Grant for the year	<u><u>\$ 41,080</u></u>

**NOTE 4 ACCOUNTS RECEIVABLE  
(in thousands)**

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 1,445	\$ -	\$ 1,445	\$ 1,130
Refunds from Suppliers	127	-	127	60
Other Receivables	22	-	22	207
Child and Family Services Authorities	9	-	9	27
	<u><u>\$ 1,603</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,603</u></u>	<u><u>\$ 1,424</u></u>

Accounts receivable are unsecured and non-interest bearing.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 TANGIBLE CAPITAL ASSETS**  
(in thousands)

	<b>Equipment*</b>	<b>Computer Hardware and Software</b>	<b>2011 Total</b>	<b>2010 Total</b>
<b>Estimated Useful Life</b>	5 Years	5 Years		
<b>Historical Cost</b>				
Beginning of Year	\$ 11	\$ 122	\$ 133	\$ 133
Additions	-	-	-	-
	11	122	133	133
<b>Accumulated Amortization</b>				
Beginning of Year	3	117	120	97
Amortization Expense	2	2	4	23
	5	119	124	120
<b>Net Book Value at March 31, 2011</b>	6	3	9	
<b>Net Book Value at March 31, 2010</b>	\$ 8	\$ 5		\$ 13

\*Equipment includes office equipment, furniture and other equipment.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Accrued Vacation Pay and Manpower Expenses	\$ 2,422	\$ 2,189
Trade Payable	1,347	1,361
Child and Family Services Authorities	16	-
Department of Children and Youth Services	8	17
	<u>\$ 3,793</u>	<u>\$ 3,567</u>

**NOTE 7 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases <sup>(a)</sup>	<u>\$ -</u>	<u>\$ 10</u>

**NOTE 8 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010 – two legal claims). The three claims have specified amounts totalling \$333,050 (2010 – two claims with a specified amount of \$325,000). The Authority is jointly named with other entities in these two claims. One claim amounting to \$150 (2010 – zero claim amounting to \$0) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$1,226 for the year ended March 31, 2011 (2010 – \$1,110).

**NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<u>2011</u> <u>Budget</u>	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Salaries, Wages and Employee Benefits	\$ 14,878	\$ 15,317	\$ 15,025
Supplies and Services	16,562	17,489	17,359
Grants	7,025	7,994	7,131
Amortization of Capital Assets	4	4	23
Inter-Authority Services	350	67	193
Other	-	47	224
<b>Total Expenses</b>	<b><u>\$ 38,819</u></b>	<b><u>\$ 40,918</u></b>	<b><u>\$ 39,955</u></b>

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	2011			Total	2010
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3) (in thousands)		Total
Co-Chair of the Authority	\$ -	\$ 29	\$ -	\$ 29	\$ 34
Co-Chair of the Authority	-	29	-	29	35
Board Members (6 members)	-	87	-	87	83
Chief Executive Officer (4)	132	5	31	168	237

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$11 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by 2 individuals during the year

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**  
Year ended March 31, 2011

**SCHEDULE 3**

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

The Authority 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 Authority had the following transactions with related parties that are on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 41,080	\$ 40,683	\$ -	\$ -
Recoveries - Inter-Authority Services	67	193	-	-
Miscellaneous Revenue:				
Maintenance Enforcement Program	-	-	12	10
	<u>\$ 41,147</u>	<u>\$ 40,876</u>	<u>\$ 12</u>	<u>\$ 10</u>
<b>Expenses - Directly Incurred</b>				
Department of Children and Youth Services	\$ 354	\$ 354	\$ -	\$ -
Inter-Authority Services Received	5	-	-	-
Department of Education	-	-	746	636
Department of Service Alberta	-	-	173	141
	<u>\$ 359</u>	<u>\$ 354</u>	<u>\$ 919</u>	<u>\$ 777</u>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 1,437	\$ 1,113	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	-	1	-	-
North Central Alberta Child and Family Services Authority	(7)	-	-	-
Northeast Alberta Child and Family Services Authority	-	26	-	-
	<u>\$ 1,430</u>	<u>\$ 1,140</u>	<u>\$ -</u>	<u>\$ -</u>

The Authority 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 provided the service. These amounts are not recorded in the financial statements but disclosed in Schedule 4.

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses (Notional):</b>		
Accommodation	\$ 1,476	\$ 2,076
Administrative	329	772
Legal Services	1	6
	<u>\$ 1,806</u>	<u>\$ 2,854</u>

**NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)										
	2011					2010					
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others			Valuation Adjustments <sup>(5)</sup>		Total	Expenses	Total Expenses	Expenses	Total Expenses
	Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts						
Child Care	\$ 4,841	\$ 59	\$ 13	\$ -	\$ -	\$ 51	\$ 4,964	\$ 4,964	\$ 4,269	\$ 4,269	
Prevention of Family Violence and Bullying	208	10	2	-	-	-	220	220	246	246	
Parenting Resources Initiative	1,507	-	-	-	-	-	1,507	1,507	1,209	1,209	
Fetal Alcohol Spectrum Disorder Initiatives	171	-	-	-	-	-	171	171	166	166	
Child Intervention Services	20,115	853	191	1	(2)	-	21,158	21,158	21,994	21,994	
Foster Care Support	6,230	225	50	-	(1)	-	6,504	6,504	6,065	6,065	
Family Support for Children with Disabilities	4,149	86	19	-	-	-	4,254	4,254	4,131	4,131	
Protection of Sexually Exploited Children	155	-	-	-	-	-	155	155	213	213	
Program Support	3,193	243	54	-	(1)	-	3,489	3,489	4,073	4,073	
Board Governance	231	-	-	-	-	-	231	231	227	227	
Amortization of Capital Assets	4	-	-	-	-	-	4	4	23	23	
Inter-Authority Services	67	-	-	-	-	-	67	67	193	193	
	<b>\$ 40,871</b>	<b>\$ 1,476</b>	<b>\$ 329</b>	<b>\$ 1</b>	<b>\$ (4)</b>	<b>\$ 51</b>	<b>\$ 42,724</b>	<b>\$ 42,724</b>	<b>\$ 42,809</b>	<b>\$ 42,809</b>	

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

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the Northwest Alberta Child and Family Services Authority's buildings costs allocated by the number of authority employees per program.

(3) Administration costs for financial, human resources and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancements Act*.

(5) Valuation adjustments as per the Statements of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.

- Doubtful Accounts Provision is allocated to specific programs.



# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Northeast Alberta Child and Family Services Authority and the Minister of Children and Youth Services

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Northeast Alberta Child and Family Services Authority which comprise the statement of financial position as at March 31, 2011, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northeast Alberta Child and Family Services Authority as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

June 8, 2011  
Edmonton, Alberta

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	2011		2010
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 12,394	\$ 13,977	\$ 14,213
<b>Other Revenue</b>			
Other Revenue	310	356	316
	<b>12,704</b>	<b>14,333</b>	<b>14,529</b>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	449	951	694
Prevention of Family Violence and Bullying	100	116	94
Parenting Resources Initiative	151	978	859
Fetal Alcohol Spectrum Disorder Initiatives	10	16	-
Child Intervention Services	7,067	6,746	7,270
Foster Care Support	2,214	1,798	2,261
Family Support for Children with Disabilities	1,759	1,891	2,074
Protection of Sexually Exploited Children	60	-	-
Program Support	857	940	870
Board Governance	37	39	30
Valuation Adjustments (Note 2)		25	(27)
	<b>12,704</b>	<b>13,500</b>	<b>14,125</b>
<b>TOTAL EXPENSES</b>			
	<b>12,704</b>	<b>13,500</b>	<b>14,125</b>
<b>Net Operating Results</b>	<b>\$ -</b>	<b>\$ 833</b>	<b>\$ 404</b>

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

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 2,964	\$ 2,109
Accounts Receivable (Note 4)	464	320
	<u>\$ 3,428</u>	<u>\$ 2,429</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 920</u>	<u>\$ 754</u>
	920	754
<b>Net Assets</b>		
Net Assets at Beginning of Year	1,675	1,271
Net Operating Results	833	404
Net Assets at End of Year	<u>2,508</u>	<u>1,675</u>
	<u>\$ 3,428</u>	<u>\$ 2,429</u>

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

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**

Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 833	\$ 404
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	<u>25</u>	<u>(27)</u>
	858	377
(Increase) Decrease in Accounts Receivable	(153)	735
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>150</u>	<u>141</u>
Cash Provided by (applied to) Operating Transactions	<u>855</u>	<u>1,253</u>
<b>Increase (decrease) in Cash</b>	855	1,253
<b>Cash, Beginning of Year</b>	2,109	856
<b>Cash, End of Year</b>	<u><u>\$ 2,964</u></u>	<u><u>\$ 2,109</u></u>

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

## NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Northeast Alberta Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

#### (a) Reporting Entity

The reporting entity is the Northeast Alberta Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

## NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (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 in return. Internal government transfers are recognized as revenue when received.

#### **Expenses**

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statement of Operations and Schedule 1.

In addition to program operating expenses such as salaries, supplies, etc, directly incurred expenses also include:

- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

#### **Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

## NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

Assets acquired by right are not included. Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

#### ***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### ***Valuation of Financial Assets and Liabilities***

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

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

#### ***Net Assets***

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

#### ***Budget (in thousands)***

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$12,704 on March 25, 2010.



**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)**

***Measurement Uncertainty***  
*(in thousands)*

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$464 and \$920 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES**  
*(in thousands)*

The grant is determined as follows:

Initial (original) budget	\$ 12,394
Additional funding for the current year	<u>1,583</u>
Grant for the year	<u>\$ 13,977</u>

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 4 ACCOUNTS RECEIVABLE**

(in thousands)

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 348	\$ -	\$ 348	\$ 247
Other	125	9	116	73
	<u>\$ 473</u>	<u>\$ 9</u>	<u>\$ 464</u>	<u>\$ 320</u>

Accounts receivable are unsecured and non-interest bearing.

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	2011	2010
Trade Payable	\$ 390	\$ 315
Accrued Vacation Pay and Manpower Expenses	493	389
Department of Children and Youth Services	1	1
Child and Family Services Authorities	36	49
	<u>\$ 920</u>	<u>\$ 754</u>

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 6 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

As at March 31, 2011, the Authority has the following other contractual obligations:

	<u>2011</u>	<u>2010</u>
Long-term Leases <sup>(a)</sup>	<u>\$ 0</u>	<u>\$ 4</u>

**NOTE 7 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claims occurred (2010 – two legal claims). Two claims have specified amounts totalling \$332,900 (2010 – two claims with a specified amount of \$325,000). The Authority is jointly named with other entities in these two claims. Neither claim is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 8 THIRD PARTY AGREEMENTS**

(in thousands)

The Authority has entered into a third party agreement with the Student Health Partnership to deliver various program services. The revenues of \$340 (2010 - \$287) and expenses of \$340 (2010 - \$287) are included in the financial statements.

Student Health Partnership	<u>2011</u>	<u>2010</u>
Revenue	\$ 340	\$ 287
Expense	(340)	(287)
	<u>\$ -</u>	<u>\$ -</u>

**NOTE 9 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$310 for the year ended March 31, 2011 (2010 – \$253).

**NOTE 10 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

**NOTE 11 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
Salaries, Wages and Employee Benefits	\$ 4,307	\$ 4,349	\$ 4,363
Supplies and Services <sup>(a)</sup>	6,645	6,026	6,237
Grants	1,752	3,100	3,552
Other		25	(27)
<b>Total Expenses</b>	<b>\$ 12,704</b>	<b>\$ 13,500</b>	<b>\$ 14,125</b>

(a) The Authority receives residential placement services from the Department of Seniors and Community Supports.

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

	(in thousands)				2010
	2011			Total	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)		Total
Co-Chair of the Authority	\$ -	\$ 24	\$ -	\$ 24	\$ 8
Co-Chair of the Authority	-	3	-	3	11
Board Members (4 members)	-	12	-	12	19
Chief Executive Officer (4)	166	68	6	240	228

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payouts, northern living allowances, and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$11 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Related Party Transactions**  
Year ended March 31, 2011

**SCHEDULE 3**

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

The Authority 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 Authority 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:

	(in thousands)			
	Entities in the Ministry		Other Entities	
	2011	2010	2011	2010
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 13,977	\$ 14,213	\$ -	\$ -
Recoveries - Inter-Authority Services			-	-
	<u>\$ 13,977</u>	<u>\$ 14,213</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 232	\$ 300	\$ -	\$ -
Department of Children and Youth Services	19	28	-	-
Department of Education	-	-	401	394
Department of Health and Wellness	-	-	114	-
Department of Service Alberta	-	-	18	11
	<u>\$ 251</u>	<u>\$ 328</u>	<u>\$ 533</u>	<u>\$ 405</u>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 348	\$ 247	\$ -	\$ -
Calgary and Area Child and Family Services Authority	16	-	-	-
Central Alberta Child and Family Services Authority	-	1	-	-
Edmonton and Area Child and Family Services Authority	-	22	-	-
North Central Alberta Child and Family Services Authority	20	-	-	-
Northwest Alberta Child and Family Services Authority	-	26	-	-
	<u>\$ 384</u>	<u>\$ 296</u>	<u>\$ -</u>	<u>\$ -</u>

The Authority 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:

	(in thousands)	
	Other Entities	
	2011	2010
<b>Expenses (Notional):</b>		
Accommodation	\$ 374	\$ 388
Administrative	86	198
Legal Services	-	1
	<u>\$ 460</u>	<u>\$ 587</u>

**NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Allocated Costs**

Year ended March 31, 2011

**SCHEDULE 4**

Program	(in thousands)									
	2011					2010				
	Expenses <sup>(1)</sup>	Expenses - Incurred by Others		Valuation Adjustments <sup>(6)</sup>		Total	Expenses	Total		Expenses
	Accommodation Costs <sup>(2)</sup>	Administration Costs <sup>(3)</sup>	Legal Services <sup>(4)</sup>	Vacation Pay	Doubtful Accounts	Expenses	Expenses	Expenses	Expenses	Expenses
Child Care	\$ 951	\$ 33	\$ 8	\$ -	\$ 2	\$ 994	\$ 994	\$ 736	\$ 736	\$ 736
Prevention of Family Violence and Bullying	116	5	1	-	-	122	122	108	108	108
Parenting Resources Initiative	978	-	-	-	-	978	978	859	859	859
Fetal Alcohol Spectrum Disorder Initiatives	16	-	-	-	-	16	16	-	-	-
Child Intervention Services	6,746	260	59	-	10	7,084	7,084	7,658	7,658	7,658
Foster Care Support	1,798	-	-	-	-	1,798	1,798	2,275	2,275	2,275
Family Support for Children with Disabilities	1,891	34	8	-	2	1,935	1,935	2,114	2,114	2,114
Protection of Sexually Exploited Children	-	-	-	-	-	-	-	-	-	-
Program Support	940	42	10	-	2	994	994	932	932	932
Board Governance	39	-	-	-	-	39	39	30	30	30
	<b>\$ 13,475</b>	<b>\$ 374</b>	<b>\$ 86</b>	<b>\$ -</b>	<b>\$ 16</b>	<b>\$ 13,960</b>	<b>\$ 13,960</b>	<b>\$ 14,712</b>	<b>\$ 14,712</b>	<b>\$ 14,712</b>

<sup>(1)</sup> Expenses - Directly Incurred as per the Statements of Operations, excluding valuation adjustments.

<sup>(2)</sup> Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure, represent the Northeast Alberta Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

<sup>(3)</sup> Administration costs for financial, human resources and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

<sup>(4)</sup> Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the *Child, Youth and Family Enhancement Act*.

<sup>(5)</sup> Valuation Adjustments as per the Statements of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific programs.



# FINANCIAL STATEMENTS

Year ended March 31, 2011

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## Independent Auditor's Report

To the Board Members of the Métis Settlements Child and Family Services Authority and the Minister of Children and Youth Services:

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Métis Settlements Child and Family Services Authority which comprise the statement of financial position as at March 31, 2011 and the statements of operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Métis Settlements Child and Family Services Authority as at March 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, CA]  
Auditor General

May 28, 2011  
Edmonton, Alberta

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2011

	(in thousands)		
	<b>2011</b>		<b>2010</b>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>			
<b>Internal Government Transfers</b>			
Transfer from Department (Note 3)	\$ 8,812	\$ 12,024	\$ 9,961
<b>Other Revenue</b>			
Inter-Authority Services - Recoveries	419	600	353
Miscellaneous Revenue	6	18	9
	<u>9,237</u>	<u>12,642</u>	<u>10,323</u>
<b>EXPENSES (SCHEDULES 1 AND 4)</b>			
Child Care	281	459	349
Prevention of Family Violence and Bullying	393	208	192
Parenting Resources Initiative	59	264	101
Fetal Alcohol Spectrum Disorder Initiatives	29	54	125
Child Intervention Services	4,766	6,804	5,935
Foster Care Support	2,309	2,249	3,003
Family Support for Children with Disabilities	227	144	183
Protection of Sexually Exploited Children	54	14	16
Program Support	535	634	628
Board Governance	165	140	163
Inter-Authority Services	419	600	353
Valuation Adjustments (Note 2)	-	(6)	28
<b>TOTAL EXPENSES</b>	<u>9,237</u>	<u>11,564</u>	<u>11,076</u>
<b>Net Operating Results</b>	<u>\$ -</u>	<u>\$ 1,078</u>	<u>(753)</u>

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

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**

As at March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
Cash	\$ 1,488	\$ 502
Accounts Receivable (Note 4)	521	588
	<u>\$ 2,009</u>	<u>\$ 1,090</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 848</u>	<u>\$ 1,007</u>
<b>Net Assets</b>		
Net Assets at Beginning of Year	83	836
Net Operating Results	1,078	(753)
Net Assets at End of Year	<u>1,161</u>	<u>83</u>
	<u>\$ 2,009</u>	<u>\$ 1,090</u>

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

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31, 2011

	(in thousands)	
	<u>2011</u>	<u>2010</u>
<b>Operating Transactions</b>		
Net Operating Results	\$ 1,078	\$ (753)
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	(6)	28
	<u>1,072</u>	<u>(725)</u>
Decrease in Accounts Receivable	67	331
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(153)	369
Cash Provided by Operating Transactions	<u>986</u>	<u>(25)</u>
<b>Increase (Decrease) in Cash</b>	986	(25)
<b>Cash, Beginning of Year</b>	502	527
<b>Cash, End of Year</b>	<u>\$ 1,488</u>	<u>\$ 502</u>

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

## MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 AUTHORITY AND PURPOSE

The Métis Settlements Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children and Youth Services.

The Authority is to provide community-based child and family services, programs and other supports that build on community strengths and individual and family responsibility with organizations and community groups by utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children and Youth Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer (CEO), all individuals working for the Authority are assigned under this agreement. The agreement provides that the Minister will delegate to the Chief Executive Officer of the Authority, powers and duties under the *Public Service Act*, as are necessary to appoint, manage and direct these individuals.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

#### (a) Reporting Entity

The reporting entity is the Métis Settlements Child and Family Services Authority, which is part of the Ministry of Children and Youth Services.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Revenue includes grants from the Department of Children and Youth Services and other miscellaneous reimbursements and recoveries.

Monetary donations from external sources are recorded as revenue when received.

## MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (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 in return. Internal government transfers are recognized as revenue when received.

#### **Expenses**

##### Directly Incurred

Directly incurred expenses are those costs the Authority has primary responsibility and accountability for, as reflected in the Authority's budget documents. These are included in the Statement of Operations and Schedule 1.

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

- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

##### Incurred by Others

Services contributed by other entities in support of the Authority's operations are excluded from the Statement of Operations and are disclosed in Schedule 4.

#### **Assets**

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

## MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

Assets acquired by right are not included. Tangible capital assets of the Authority 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 \$250,000 and the threshold for major systems enhancements is \$100,000. The threshold for all other tangible capital assets is \$5,000.

#### ***Liabilities***

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

#### ***Valuation of Financial Assets and Liabilities***

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

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

#### ***Net Assets***

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

#### ***Budget (in thousands)***

The Authority receives its financing by way of a grant from the Department of Children and Youth Services. The Authority is economically dependent upon the Department of Children and Youth Services since the viability of its on-going operations depends on the grant revenues from the Department. The budget presented in the Statement of Operations was included in the 2010-11 Government and Lottery Fund Estimates tabled in the Legislative Assembly on March 22, 2010. The Authority approved the budget of \$9,237 on March 25, 2010.



**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES  
(Continued)**

***Measurement Uncertainty***  
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The accounts receivable and accounts payable and accrued liabilities recorded as \$521 and \$848 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

***Voluntary Contribution***

These financial statements do not include voluntary contributions received for materials and services because of the difficulty in determining their fair market values.

**NOTE 3 GRANTS FROM THE DEPARTMENT OF CHILDREN AND YOUTH SERVICES  
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 8,812
Additional funding for the current year	<u>3,212</u>
Grant for the year	<u>\$ 12,024</u>

**NOTE 4 ACCOUNTS RECEIVABLE  
(in thousands)**

	2011			2010
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children and Youth Services	\$ 397	\$ -	\$ 397	\$ 511
Edmonton and Area CFSA	-	-	-	10
North Central Alberta CFSA	94	-	94	43
Refund from Suppliers	30	-	30	24
	<u>\$ 521</u>	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 588</u>

Accounts receivable are unsecured and non-interest bearing.

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 5 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

(in thousands)

	<u>2011</u>	<u>2010</u>
Trade Payable	\$ 232	\$ 489
Accrued Vacation Pay and Manpower Expenses	533	437
Payable to Department of Children and Youth Services	1	4
Child and Family Services Authorities	82	77
	<u>\$ 848</u>	<u>\$ 1,007</u>

**NOTE 6 CONTRACTUAL OBLIGATIONS**

(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2012 similar to those provided by these organizations during the year ended March 31, 2011.

## MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

### **NOTE 7 CONTINGENT LIABILITIES**

(in thousands)

At March 31, 2011, the Authority is a defendant in four legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2010 – three legal claims). The four claims have specified amounts totalling \$333,750 (2010 – three claims with a specified amount of \$325,100). Included in the total legal claims are three claims amounting to \$333,650 (2010 – two claims amounting to \$325,000) in which Authority has been jointly named with other entities. Two claims amounting to \$850 (2010 - one claim amounting to \$100) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

### **NOTE 8 BENEFIT PLANS**

(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contribution of \$325 for the year ended March 31, 2011 (2010 – \$290).

### **NOTE 9 COMPARATIVE FIGURES**

Certain 2010 figures have been reclassified to conform to the 2011 presentation.

### **NOTE 10 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Authority's Board.

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Expenses - Directly Incurred Detailed by Object**  
Year ended March 31, 2011

**SCHEDULE 1**

	(in thousands)		
	<u>2011</u> <u>Budget</u>	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Salaries, Wages and Employee Benefits	\$ 3,183	\$ 3,624	\$ 3,544
Supplies and Services	5,776	6,275	6,447
Grants	278	1,012	704
Inter-Authority Services	-	600	353
Other	-	53	28
<b>Total Expenses</b>	<b>\$ 9,237</b>	<b>\$ 11,564</b>	<b>\$ 11,076</b>

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**Salary and Benefits Disclosure**  
Year ended March 31, 2011

**SCHEDULE 2**

(in thousands)

	2011			2010	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-Cash Benefits <sup>(3)</sup>	Total	Total
Co-Chair of the Authority	\$ -	\$ 29	\$ -	\$ 29	\$ 30
Co-Chair of the Authority	-	28	-	28	28
Board Members (6 members)	-	41	-	41	48
Chief Executive Officer	163	38	-	201	194

**Prepared in accordance with Treasury Board Directive 12/98 as amended.**

- (1) Base salary includes regular pay.
- (2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2011. Co-chairs and board members receive honoraria only. The Department of Children and Youth Services paid \$18 of the total honoraria expenses disclosed in this schedule.
- (3) 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 term disability plans, professional memberships and tuition fees.

**MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
SCHEDULE TO FINANCIAL STATEMENTS**

**Related Party Transactions**

Year ended March 31, 2011

**SCHEDULE 3**

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

The Authority 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 Authority 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:

	(in thousands)			
	<b>Entities in the Ministry</b>		<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
<b>Revenues:</b>				
Grant from the Department of Children and Youth Services	\$ 12,024	\$ 9,961	\$ -	\$ -
Recoveries - Inter-Authority Services	600	353	-	-
Miscellaneous and Prior Year Revenue	18	9	-	-
	<b>\$ 12,642</b>	<b>\$ 10,323</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenses - Directly Incurred</b>				
Inter-Authority Services Received	\$ 526	\$ 571	\$ -	\$ -
Department of Advanced Education and Technology	-	-	6	3
Department of Education	-	-	19	33
Department of Health and Wellness	-	-	-	-
Department of Service Alberta	-	-	39	36
	<b>\$ 526</b>	<b>\$ 571</b>	<b>\$ 64</b>	<b>\$ 72</b>
<b>Receivable from/(Payable to):</b>				
Department of Children and Youth Services (Net)	\$ 395	\$ 507	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	27	(55)	-	-
North Central Alberta Child and Family Services Authority	40	31	-	-
Northwest Alberta Child and Family Services Authority	-	-	-	-
	<b>\$ 462</b>	<b>\$ 483</b>	<b>\$ -</b>	<b>\$ -</b>

The Authority 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.

	(in thousands)	
	<b>Other Entities</b>	
	<b>2011</b>	<b>2010</b>
<b>Expenses (Notional):</b>		
Accommodation	356	359
Administrative	79	190
Legal Services	48	23
	<b>\$ 483</b>	<b>\$ 572</b>

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY  
SCHEDULE TO FINANCIAL STATEMENTS

Allocated Costs

Year ended March 31, 2011

SCHEDULE 4

Program	(in thousands)									
	2011					2010				
	Expenses <sup>(1)</sup>	Costs <sup>(2)</sup>	Costs <sup>(3)</sup>	Services <sup>(4)</sup>	Pay	Accounts	Total Expenses	Valuation Adjustment	Accounts	Total Expenses
Child Care	\$ 459	\$ 31	\$ 7		\$ (1)	\$ -	\$ 496		\$ -	\$ 496
Prevention of Family Violence and Bullying	208	6	2				216			216
Parenting Resources Initiative	264						264			264
Fetal Alcohol Spectrum Disorder Initiatives	54						54			54
Child Intervention Services	6,804	263	58	48	(4)		7,169			7,169
Foster Care Support	2,249	11	2				2,262			2,262
Family Support for Children with Disabilities	144	7	2				153			153
Protection of Sexually Exploited Children	14						14			14
Program Support	634	38	8		(1)		679			679
Board Governance	140					3	143			143
Inter-Authority Services	600						600			600
	<b>11,570</b>	<b>356</b>	<b>79</b>	<b>48</b>	<b>(6)</b>	<b>3</b>	<b>12,050</b>		<b>3</b>	<b>11,648</b>

(1) Expenses - Directly Incurred as per the Statement of Operations, excluding valuation adjustment.

(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the Métis Settlements Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.

(3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children and Youth Services.

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the Child Youth and Family Enhancement Act.

(5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific programs







# Alberta Children and Youth Services Annual Report 2010-2011

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**Government of Alberta** ■