



Alberta children's Services

2001-2002 ANNUAL REPORT • SECTION 2





Sun Country

Sun Country Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Sun Country Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Sun Country Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Sun Country Child and Family Services Authority

Statement of Operations

For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 25,474	\$ 26,178	\$ 24,491
Recoveries - Resident on Reserve	3,124	4,234	3,407
Recoveries - Inter-Authority Services	301	251	343
Miscellaneous Revenue	-	65	-
	<u>28,899</u>	<u>30,728</u>	<u>28,241</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	597	356	467
Program Support Services (Note 3)	647	1,004	-
Services to Children and Families:			
Child Welfare	18,339	19,971	18,204
Children with Disabilities	2,364	3,103	2,194
Day Care	4,193	3,598	3,703
Early Intervention	1,355	1,411	1,171
Prevention of Family Violence	1,103	902	1,184
Inter-Authority Services	301	251	343
Valuation Adjustments:			
Vacation Pay (Note 2)	-	127	34
	<u>28,899</u>	<u>30,723</u>	<u>27,300</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 941</u>

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



Sun Country Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 751	\$ 107
Accounts Receivable (Note 5)	1,205	1,593
	<u>\$ 1,956</u>	<u>\$ 1,700</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 1,779	\$ 1,528
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	172	(769)
Net Operating Results	<u>5</u>	<u>941</u>
Net Assets at End of Year	<u>177</u>	<u>172</u>
	<u>\$ 1,956</u>	<u>\$ 1,700</u>

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



Sun Country Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 5	\$ 941
Non-Cash Items		
Valuation Adjustments	127	34
	132	975
Decrease in Accounts Receivable	388	310
Decrease in Advances	-	5
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	124	(1,183)
Cash Provided by Operating Transactions	644	107
Cash, Beginning of Year	107	-
Cash, End of Year	<u>\$ 751</u>	<u>\$ 107</u>

(a) Adjusted for valuation adjustment.

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



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

Sun Country Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is Sun Country Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Children's Services, and
- The cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

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

Assets

Cash and accounts receivable are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$28,899 on August 15, 2002.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts receivable recorded as \$1,205 and accounts payable and accrued liabilities recorded as \$1,779 in these financial statements are subject to measurement uncertainty. Management has estimated the amount due for Recoveries Resident on Reserve from the Department and the amounts owed for expenses for daycare, child welfare, and board governance as at March 31, 2002. These estimates are based on the past month (February 2002) and average monthly actual recoveries and expenses.

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$647 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$647. Net assets (liabilities) at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 25,474
Additional funding provided for the current year	704
Grant for the Year	<u>\$ 26,178</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 1,180	\$ 1,537
Child and Family Services Authorities	20	56
Refunds from Suppliers	5	-
	<u>\$ 1,205</u>	<u>\$ 1,593</u>



Sun Country Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties such as Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 13	\$ 41
Accrued Vacation Pay	768	616
Trade Payable	998	871
	<u>\$ 1,779</u>	<u>\$ 1,528</u>

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	<u>\$ 187</u>	<u>\$ 129</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	75
2004	\$	68
2005	\$	43
2006	\$	1

NOTE 8 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 9 APPROVALS OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Sun Country Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 5,780	\$ 8,379	\$ 6,974
Supplies and services (Note 3)	20,229	18,906	16,656
Grants	2,890	3,166	3,293
Inter-Authority Services	-	251	343
Valuation Adjustment	-	127	34
	<u>28,899</u>	<u>30,829</u>	<u>27,300</u>
Less: Recovery from Alberta Human Resources and Employment	-	(106)	-
	<u>\$ 28,899</u>	<u>\$ 30,723</u>	<u>\$ 27,300</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$13,000 (2001 - \$30,000) in achievement bonuses for management and non-union staff.



Sun Country Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority ⁽³⁾	\$ 18	\$ -	\$ 18	\$ 26
Co-Chair of the Authority	\$ 19	\$ -	\$ 19	\$ 26
Board Members (10 members)	\$ 51	\$ -	\$ 51	\$ 61
Chief Executive Officer	\$ 102	\$ 20	\$ 122	\$ 137

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The position was occupied by two individuals during the year.



Sun Country Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 26,178	\$ 24,491	\$ -	\$ -
Recoveries - Resident on Reserve	4,234	3,407	-	-
Recoveries - Inter-Authority Services	251	343	-	-
	<u>\$ 30,663</u>	<u>\$ 28,241</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 152	\$ 239	\$ -	\$ -
Department of Children's Services	647	-	-	-
	<u>\$ 799</u>	<u>\$ 239</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 1,180	\$ 1,537	\$ -	\$ -
Windsong Child and Family Services Authority	7	16	-	-
Calgary Rocky View Child and Family Services Authority	-	15	-	-
Hearthstone Child and Family Services Authority	-	(1)	-	-
Diamond Willow Child and Family Services Authority	-	(2)	-	-
Ribstone Child and Family Services Authority	-	(4)	-	-
Ma'mowe Capital Region Child and Family Services Authority	-	(9)	-	-
	<u>\$ 1,187</u>	<u>\$ 1,552</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 759	\$ 727
Administrative	384	350
Legal Services	-	95
	<u>\$ 1,143</u>	<u>\$ 1,172</u>



Sun Country Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 1,360	\$ 43	\$ 384	\$ -	\$ 7	\$ -	\$ 1,794	\$ 822
Child Welfare	19,971	615	-	-	103	-	20,689	18,969
Children with Disabilities	3,103	29	-	-	5	-	3,137	2,214
Day Care	3,598	29	-	-	5	-	3,632	3,737
Early Intervention	1,411	29	-	-	5	-	1,445	1,198
Prevention of Family Violence	902	14	-	-	2	-	918	1,189
Inter-Authority Services	251	-	-	-	-	-	251	343
	<u>\$ 30,596</u>	<u>\$ 759</u>	<u>\$ 384</u>	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 31,866</u>	<u>\$ 28,472</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Southeast Alberta

Southeast Alberta Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Southeast Alberta Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Southeast Alberta Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Southeast Alberta Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 13,644	\$ 14,487	\$ 13,963
Recoveries - Resident on Reserve	10	9	12
Recoveries - Inter-Authority Services	35	19	31
Miscellaneous Revenue	-	30	-
	13,689	14,545	14,006
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	597	470	563
Program Support Services (Note 3)	384	385	-
Services to Children and Families:			
Child Welfare	7,217	7,859	7,214
Children with Disabilities	1,885	1,962	1,840
Day Care	2,194	2,382	2,223
Early Intervention	1,006	1,036	966
Prevention of Family Violence	371	399	372
Inter-Authority Services	35	19	31
Valuation Adjustments:			
Vacation Pay (Note 2)	-	24	35
	13,689	14,536	13,244
Net Operating Results	\$ -	\$ 9	\$ 762

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, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 644	\$ 777
Accounts Receivable (Note 5)	373	285
Advances	-	3
	\$ 1,017	\$ 1,065
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 845	\$ 902
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	163	(599)
Net Operating Results	9	762
Net Assets at End of Year	172	163
	\$ 1,017	\$ 1,065

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



Southeast Alberta Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 9	\$ 762
Non-Cash Items		
Valuation Adjustments	24	35
	33	797
Increase in Accounts Receivable	(88)	(33)
Decrease in Advances	3	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(81)	12
Cash Provided (Used) by Operating Transactions	(133)	777
Cash, Beginning of Year	777	-
Cash, End of Year	\$ 644	\$ 777

(a) Adjusted for valuation adjustment.

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



Southeast Alberta Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

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, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

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

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivables, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$13,689 on May 17, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$845 in these financial statements are subject to measurement uncertainty. The accrued liabilities consist of wages and worker's compensation, child welfare expenses and day care expenses. These accruals were estimated by management based on prior history of these items and other information available. The actual amount could vary significantly from the estimate.



Southeast Alberta Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$384 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$384. Net assets (liabilities) at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 13,644
Additional funding provided for the current year	843
Grant for the Year	\$ 14,487

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	2002	2001
Department of Children's Services	\$ 296	\$ 271
Child and Family Services Authorities	-	1
Refunds from Suppliers	77	13
	\$ 373	\$ 285

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	2002	2001
Department of Children's Services	\$ -	\$ 17
Child and Family Services Authorities	-	26
Accrued Vacation Pay	335	280
Trade Payable	510	579
	\$ 845	\$ 902



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	\$ 39	\$ 39

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	22
2004	\$	15
2005	\$	2

NOTE 8 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Southeast Alberta Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 2,738	\$ 3,992	\$ 3,455
Supplies and services (Note 3)	9,582	8,466	7,672
Grants	1,369	2,082	2,051
Inter-Authority Services	-	19	31
Valuation Adjustment	-	24	35
	13,689	14,583	13,244
Less: Recovery from Alberta Human Resources and Employment	-	(47)	-
	\$ 13,689	\$ 14,536	\$ 13,244

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$6,000 (2001 - \$15,000) in achievement bonuses for management and non-union staff.



Southeast Alberta Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)					
	2002			2001		
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total	Total	Total
Co-Chair of the Authority	\$ 8	\$ -	\$ 8	\$	17	\$
Co-Chair of the Authority	\$ 6	\$ -	\$ 6	\$	8	\$
Board Members (6 members)	\$ 23	\$ -	\$ 23	\$	51	\$
Chief Executive Officer	\$ 92	\$ 17	\$ 109	\$	104	\$

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Southeast Alberta Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 14,487	\$ 13,963	\$ -	\$ -
Recoveries - Resident on Reserve	9	12	-	-
Recoveries - Inter-Authority Services	19	31	-	-
	<u>\$ 14,515</u>	<u>\$ 14,006</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 19	\$ 42	\$ -	\$ -
Department of Children's Services	384	-	-	-
	<u>\$ 403</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 296	\$ 254	\$ -	\$ -
Calgary Rocky View Child and Family Services Authority	-	(8)	-	-
Hearthstone Child and Family Services Authority	-	(1)	-	-
Diamond Willow Child and Family Services Authority	-	(3)	-	-
Ribstone Child and Family Services Authority	-	(5)	-	-
Ma'mowe Capital Region Child and Family Services Authority	-	(9)	-	-
Child and Family Services Authority Region 13	-	1	-	-
People with Developmental Disabilities-South Board	-	-	72	13
	<u>\$ 296</u>	<u>\$ 229</u>	<u>\$ 72</u>	<u>\$ 13</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 395	\$ 429
Administrative	223	204
Legal Services	-	38
	<u>\$ 618</u>	<u>\$ 671</u>



Southeast Alberta Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							Total Expenses (Restated)
	2002						2001	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total	
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Expenses	
Program Support	\$ 855	\$ 32	\$ 223	\$ -	\$ 2	\$ -	\$ 1,112	\$ 805
Child Welfare	7,859	320	-	-	19	-	8,198	7,642
Children with Disabilities	1,962	16	-	-	1	-	1,979	1,857
Day Care	2,382	27	-	-	2	-	2,411	2,242
Early Intervention	1,036	-	-	-	-	-	1,036	966
Prevention of Family Violence	399	-	-	-	-	-	399	372
Inter-Authority Services	19	-	-	-	-	-	19	31
	<u>\$ 14,512</u>	<u>\$ 395</u>	<u>\$ 223</u>	<u>\$ -</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 15,154</u>	<u>\$ 13,915</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA'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 Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Windsong

Windsong Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Expenses Detailed by Object
Schedule of Disclosure of Salary and Benefits
Schedule of Related Party Transactions
Schedule of Allocated Costs

Auditor's Report

To the Members of the Windsong Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Windsong Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 17, 2002



Windsong Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 7,396	\$ 7,633	\$ 6,749
Recoveries - Resident on Reserve	10	267	472
Recoveries - Inter-Authority Services	640	437	979
Miscellaneous Revenue	-	34	136
	<u>8,046</u>	<u>8,371</u>	<u>8,336</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	360	237	225
Program Support Services	76	76	5
Services to Children and Families:			
Child Welfare	4,583	4,636	4,875
Children with Disabilities	819	1,139	877
Day Care	497	454	502
Early Intervention	808	585	726
Prevention of Family Violence	263	164	107
Inter-Authority Services	640	437	979
Valuation Adjustments:			
Vacation Pay (Note 2)	-	33	32
	<u>8,046</u>	<u>7,761</u>	<u>8,328</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 610</u>	<u>\$ 8</u>

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



Windsong Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 560	\$ 106
Accounts Receivable (Note 5)	1,047	878
	<u>\$ 1,607</u>	<u>\$ 984</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 563	\$ 550
Net Assets		
Net Assets at Beginning of Year	434	426
Net Operating Results	610	8
Net Assets at End of Year	<u>1,044</u>	<u>434</u>
	<u>\$ 1,607</u>	<u>\$ 984</u>

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



Windsong Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Operating Transactions		
Net Operating Results	\$ 610	\$ 8
Non-Cash Items		
Valuation Adjustments	<u>33</u>	<u>32</u>
	643	40
(Increase) Decrease in Accounts Receivable	(169)	259
Decrease in Accounts Payable and Accrued Liabilities ^(a)	<u>(20)</u>	<u>(193)</u>
Cash Provided by Operating Transactions	<u>454</u>	<u>106</u>
Cash, Beginning of Year	106	-
Cash, End of Year	<u>\$ 560</u>	<u>\$ 106</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Windsong Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999, and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Windsong Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivable are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$8,046 on April 18, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$563 in these financial statements is subject to measurement uncertainty. The accruals are estimated assuming that there is a four to six week delay in processing service provider invoices and capturing the amounts in the accounts. If the processing time lag varies the accrual estimate will be either over or under the actual amount of services purchased.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$76 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$76. Net assets at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 7,396
Additional funding provided for the current year	237
Grant for the Year	<u>\$ 7,633</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of related transactions with the Department of Children's Services, other Child and Family Authorities, Alberta Health and Wellness and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 132	\$ 598
Child and Family Services Authorities	13	280
Alberta Health and Wellness	847	-
Other	55	-
	<u>\$ 1,047</u>	<u>\$ 878</u>



Windsong Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 23	\$ 8
Child and Family Services Authorities	38	54
Accrued Vacation Pay	110	-
Trade Payable	326	488
Other	66	-
	<u>\$ 563</u>	<u>\$ 550</u>

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
		(Restated)
Long-term leases ^(a)	<u>\$ 39</u>	<u>\$ 63</u>

(a) The Authority leases vehicles under operating leases that expire on various dates to July 4, 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	23
2004	\$	13
2005	\$	3

NOTE 8 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 9 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Windsong Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 1,609	\$ 1,457	\$ 1,241
Supplies and services	5,632	6,300	5,625
Grants	805	432	451
Inter-Authority Services	-	437	979
Other	-	35	32
	<u>8,046</u>	<u>8,661</u>	<u>8,328</u>
Less: Recovery from Alberta Human Resources and Employment	-	(53)	-
Recovery from Alberta Health and Wellness	-	(847)	-
	<u>\$ 8,046</u>	<u>\$ 7,761</u>	<u>\$ 8,328</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$4,000 (2001 - \$3,000) in achievement bonuses for management and non-union staff.



Windsong Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)					
	2002			2001		
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total	Total	Total
Co-Chair of the Authority	\$ 9	\$ -	\$ 9	\$ 6		
Co-Chair of the Authority	\$ 8	\$ -	\$ 8	\$ 14		
Board Members (6 members)	\$ 29	\$ 10	\$ 39	\$ 38		
Chief Executive Officer	\$ 86	\$ 33	\$ 119	\$ 75		

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Windsong Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 7,633	\$ 6,749	\$ -	\$ -
Recoveries - Resident on Reserve	267	472	-	-
Recoveries - Inter-Authority Services	437	979	-	-
	<u>\$ 8,337</u>	<u>\$ 8,200</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 470	\$ 462	\$ -	\$ -
Department of Children's Services	76	-	-	-
	<u>\$ 546</u>	<u>\$ 462</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 9	\$ 590	\$ -	\$ -
Sun Country Child and Family Services Authority	(7)	(11)	-	-
Calgary Rocky View Child and Family Services Authority	(18)	235	-	-
Hearthstone Child and Family Services Authority	-	1	-	-
West Yellowhead Child and Family Services Authority	-	3	-	-
Ribstone Child and Family Services Authority	-	(2)	-	-
	<u>\$ (16)</u>	<u>\$ 816</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 148	\$ 121
Administrative	149	136
Legal Services	11	25
	<u>\$ 308</u>	<u>\$ 282</u>



Windsong Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 313	\$ 5	\$ 149	\$ -	\$ 1	\$ -	\$ 468	\$ 371
Child Welfare	4,636	121	-	11	28	-	4,796	5,029
Children with Disabilities	1,139	11	-	-	2	-	1,152	890
Day Care	454	11	-	-	2	-	467	508
Early Intervention	585	-	-	-	-	-	585	726
Prevention of Family Violence	164	-	-	-	-	-	164	107
Inter-Authority Services	437	-	-	-	-	-	437	979
	<u>\$ 7,728</u>	<u>\$ 148</u>	<u>\$ 149</u>	<u>\$ 11</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 8,069</u>	<u>\$ 8,610</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs are for financial, human resources, and administrative services provided by the Regional Service Centre (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated in proportion to the expenses incurred by each program.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision -value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision -estimated expenses incurred by each program.





Calgary Rocky View

Calgary Rocky View Child and Family Services Authority
Financial Statements
For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Calgary Rocky View Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Calgary Rocky View Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 22, 2002



Calgary Rocky View Child and Family Services Authority

Statement of Operations

For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 132,323	\$ 134,689	\$ 124,606
Recoveries - Resident on Reserve	750	881	1,328
Recoveries - Inter-Authority Services	775	324	593
Miscellaneous Revenue	1,172	1,443	1,158
	<u>135,020</u>	<u>137,337</u>	<u>127,685</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	850	572	828
Program Support Services (Note 3)	2,054	3,730	1,500
Services to Children and Families:			
Child Welfare	89,837	88,435	85,014
Children with Disabilities	17,128	20,132	15,242
Day Care	17,530	15,158	16,513
Early Intervention	4,266	4,177	4,786
Prevention of Family Violence	2,580	2,489	2,432
Inter-Authority Services	775	324	593
Valuation Adjustments:			
Vacation Pay (Note 2)	-	377	152
Amortization	-	110	-
	<u>135,020</u>	<u>135,504</u>	<u>127,060</u>
Net Operating Results	<u>\$ -</u>	<u>\$1,833</u>	<u>\$625</u>

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



Calgary Rocky View Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 9,012	\$ 7,057
Accounts Receivable (Note 5)	2,534	3,388
Capital Assets (Note 6)	219	-
	<u>\$ 11,765</u>	<u>\$ 10,445</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 8,532	\$ 9,166
Unearned Revenue	121	-
	<u>8,653</u>	<u>9,166</u>
Net Assets (Liabilities)		
Net Assets at Beginning of Year	1,279	654
Net Operating Results	1,833	625
Net Assets at End of Year	<u>3,112</u>	<u>1,279</u>
	<u>\$ 11,765</u>	<u>\$ 10,445</u>

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



Calgary Rocky View Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 1,833	\$ 625
Non-Cash Items		
Amortization of Capital Assets	110	-
Valuation Adjustments	377	152
	<u>2,320</u>	<u>777</u>
Decrease in Accounts Receivable	854	6,098
(Decrease) Increase in Accounts Payable and Accrued Liabilities ^(a)	(1,011)	182
Increase in Unearned Revenue	121	-
Cash Provided by Operating Transactions	<u>2,284</u>	<u>7,057</u>
Investing Transactions		
Purchases of Capital Assets	(329)	-
Cash Used by Investing Transactions	(329)	-
Cash Provided	<u>1,955</u>	<u>7,057</u>
Cash, Beginning of Year	7,057	-
Cash, End of Year	<u>\$ 9,012</u>	<u>\$ 7,057</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Calgary Rocky View Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1998 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Calgary Rocky View Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Cash received for which goods or services have not been provided by year-end is recorded as unearned revenue.

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- amortization of capital assets
- 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 the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivables, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$135,020 on April 6, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$8,532 in these financial statements are subject to measurement uncertainty. The estimates are based on vendors being six to eight weeks in arrears in billing the Authority. This was arrived through input from the senior management team. The actual amount could vary significantly from that estimated.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$2,054 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$2,054. Net assets at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	<u>(In thousands)</u>
Original budget	\$ 132,323
Additional funding provided for the current year	<u>2,366</u>
Grant for the Year	<u>\$ 134,689</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	<u>(In thousands)</u>	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 2,409	\$ 2,406
Inter-Authority Receivables	26	93
Other	99	889
	<u>\$ 2,534</u>	<u>\$ 3,388</u>



Calgary Rocky View Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 6 CAPITAL ASSETS

	(In thousands)				2001 Net Book
	2002				
	Estimated Useful Life	Cost Amortization	Accumulated Value	Net Book Value	
Systems Development	3	\$ 329	\$ 110	\$ 219	\$ -

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties which include other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	2002	2001
Accrued Vacation Pay	\$ 2,343	\$ 1,966
Inter-Authority Payable	18	515
Trade Payable	6,171	6,685
	<u>\$ 8,532</u>	<u>\$ 9,166</u>

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	2002	2001
Long-term leases ^(a)	\$ 28	\$ 52

- (a) The Authority leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	15
2004	\$	9
2005	\$	4



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 9 THIRD PARTY AGREEMENTS (In thousands)

The Authority has entered into three third party agreements with the Student Health Partnership, Human Resources and Employment, and Community Development for various program services. The revenues of \$1,171 (2001 - \$1,158); expenses of \$1,120 (2001 - \$500); and unearned revenue of \$121 resulting from these agreements are included in the financial statements.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Student Health Partnership	\$ 941	\$ 928
Human Resources and Employment	230	230
Community Development	(1,120)	(500)

NOTE 10 VOLUNTARY CONTRIBUTIONS

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

NOTE 11 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Calgary Rocky View Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 27,004	\$ 23,702	\$ 20,725
Supplies and services (Note 3)	92,619	97,182	90,566
Supplies and Services from Support Service Arrangement ^(b)	1,120	1,120	500
Grants	13,502	13,231	14,474
Amortization of Capital Assets	-	110	-
Inter-Authority Services	775	324	593
Other	-	415	202
	<u>\$ 135,020</u>	<u>\$ 136,084</u>	<u>\$ 127,060</u>
Less: Recovery from Alberta Human Resources and Employment	-	(580)	-
	<u>\$ 135,020</u>	<u>\$ 135,504</u>	<u>\$ 127,060</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$45,232 (2001 - \$109,836) in achievement bonuses for management and non-union staff.

(b) The Authority receives human resource, financial and other administrative support services from the Department of Community Development.



Calgary Rocky View Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)				
	2002			2001	
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total	Total
Co-Chair of the Authority	\$ 10	\$ -	\$ 10	\$ 9	\$ 9
Co-Chair of the Authority	\$ 12	\$ -	\$ 12	\$ 13	\$ 13
Board Members (11 members)	\$ 39	\$ -	\$ 39	\$ 31	\$ 31
Chief Executive Officer ^{(3) (4) (5)}	\$ 150	\$ 5	\$ 155	\$ 137	\$ 137

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The position was occupied by two individuals during the year.
- (4) Automobile provided to the CEO, no dollar amount included in benefit and allowances.
- (5) From June 1, 2001 to February 10, 2002, the CEO's services were shared with the Ma' Mowe Capital Region CFSA and Sakaw-Askiy CFSA which contributed its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule. Effective February 11, 2002, a new CEO was appointed for the Authority.



Calgary Rocky View Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority and its assigned employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001 Revised
Revenues:				
Grant from the Department of Children's Services	\$ 134,689	\$ 124,606	\$ -	\$ -
Recoveries - Resident on Reserve	881	1,328	-	-
Recoveries - Inter-Authority Services	324	593	-	-
Other Ministries	-	-	230	230
	<u>\$ 135,894</u>	<u>\$ 126,527</u>	<u>\$ 230</u>	<u>\$ 230</u>
Expenses:				
Inter-Authority Services	\$ 466	\$ 1,452	\$ -	\$ -
Department of Children's Services	2,054	-	-	-
Ministry of Justice	-	-	-	20
	<u>\$ 2,520</u>	<u>\$ 1,452</u>	<u>\$ -</u>	<u>\$ 20</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 2,409	\$ 2,406	\$ -	\$ -
Sun Country Child and Family Services Authority	-	(15)	-	-
Southeast Alberta Child and Family Services Authority	-	9	-	-
Windsong Child and Family Services Authority	18	(292)	-	-
Hearthstone Child and Family Services Authority	(8)	(79)	-	-
Diamond Willow Child and Family Services Authority	3	(12)	-	-
Ribstone Child and Family Services Authority	(1)	(11)	-	-
West Yellowhead Child and Family Services Authority	1	9	-	-
Ma' Mowe Capital Region Child and Family Services Authority	(5)	(42)	-	-
Sakaigun Asky Child and Family Services Authority	-	9	-	-
Keystone Child and Family Services Authority	-	1	-	-
Region 14 Child and Family Services Authority	-	1	-	-
Ministry of Human Resources and Employment	-	-	-	230
	<u>\$ 2,417</u>	<u>\$ 1,984</u>	<u>\$ -</u>	<u>\$ 230</u>

The previous transactions do not include support service agreement arrangement transactions disclosed in schedule one.

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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities 2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 3,787	\$ 3,360
Administrative	698	636
Legal Services	650	443
	<u>\$ 5,135</u>	<u>\$ 4,439</u>



Calgary Rocky View Child and Family Services Authority

Allocated Costs

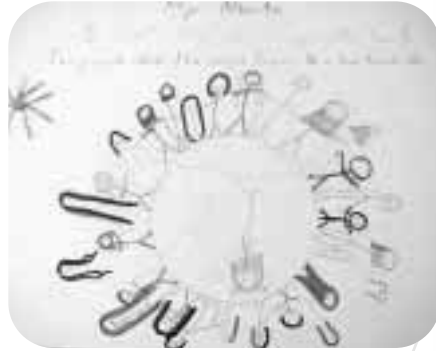
For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 4,302	\$ 94	\$ 698	\$ 97	\$ 9	\$ -	\$ 5,200	\$ 2,211
Child Welfare	88,435	3,276	-	553	326	-	92,590	88,454
Children with Disabilities	20,132	189	-	-	19	-	20,340	16,366
Day Care	15,158	212	-	-	21	-	15,391	16,731
Early Intervention	4,177	-	-	-	-	-	4,177	4,705
Prevention of Family Violence	2,489	16	-	-	2	-	2,507	2,439
Inter-Authority Services	324	-	-	-	-	-	324	593
Amortization	110	-	-	-	-	-	110	-
	<u>\$ 135,127</u>	<u>\$ 3,787</u>	<u>\$ 698</u>	<u>\$ 650</u>	<u>\$ 377</u>	<u>\$ -</u>	<u>\$ 140,639</u>	<u>\$ 131,499</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were proportionately allocated to the Child Welfare program for legal services provided under the Child Welfare Act and to the Program Support program for general advice and assistance.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Hearthstone

Hearthstone Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Hearthstone Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Hearthstone Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 16, 2002



Hearthstone Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 6,785	\$ 7,472	\$ 6,760
Recoveries - Resident on Reserve	57	182	109
Recoveries - Inter-Authority Services	70	162	314
Miscellaneous Revenue	-	18	17
	<u>6,912</u>	<u>7,834</u>	<u>7,200</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	100	283	271
Program Support Services (Note 3)	649	455	231
Services to Children and Families:			
Child Welfare	3,968	4,493	4,055
Children with Disabilities	1,046	1,275	1,040
Day Care	352	468	381
Early Intervention	417	435	375
Prevention of Family Violence	310	264	253
Inter-Authority Services	70	162	314
Valuation Adjustments:			
Vacation Pay (Note 2)	-	26	52
	<u>6,912</u>	<u>7,861</u>	<u>6,972</u>
Net Operating Results	<u>\$ -</u>	<u>\$ (27)</u>	<u>\$ 228</u>

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



Hearthstone Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 139	\$ 265
Accounts Receivable (Note 5)	411	414
	<u>\$ 550</u>	<u>\$ 679</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 495	\$ 597
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	82	(146)
Net Operating Results	<u>(27)</u>	<u>228</u>
Net Assets at End of Year	<u>55</u>	<u>82</u>
	<u>\$ 550</u>	<u>\$ 679</u>

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



Hearthstone Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ (27)	\$ 228
Non-Cash Items		
Valuation Adjustments	26	52
	(1)	280
Decrease in Accounts Receivable	3	244
Decrease in Advances	-	1
(Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(128)	(260)
Cash Provided (Used) by Operating Transactions	(126)	265
Cash, Beginning of Year	265	-
Cash, End of Year	\$ 139	\$ 265

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Hearthstone Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Hearthstone Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivables are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$6,912 on April 20, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$495 in these financial statements is subject to measurement uncertainty, due to the fact that accruals were based on estimated calculated trends and prior period analysis as well as current child placement. The actual amount could vary significantly from that estimated.



Hearthstone Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$182 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$182. Net assets at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 6,785
Additional funding provided for the current year	687
Grant for the Year	<u>\$ 7,472</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 164	\$ 328
Child and Family Services Authorities	32	-
Alberta Health and Wellness	208	-
Refunds from Suppliers	7	86
	<u>\$ 411</u>	<u>\$ 414</u>



Hearthstone Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties such as other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 18	\$ 80
Accrued Vacation Pay	177	136
Trade Payable	<u>300</u>	<u>381</u>
	<u>\$ 495</u>	<u>\$ 597</u>

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	\$ 64	\$ 121
	<u>\$ 64</u>	<u>\$ 121</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	38
2004	\$	24
2005	\$	2

NOTE 8 VOLUNTARY CONTRIBUTIONS

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

NOTE 9 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Hearthstone Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 1,382	\$ 1,953	\$ 1,675
Supplies and services (Note 3)	4,769	5,526	4,597
Grants	691	422	334
Inter-Authority Services	70	162	314
Other	-	26	52
	<u>6,912</u>	<u>8,089</u>	<u>6,972</u>
Less: Recovery from Alberta Health and Wellness	-	(208)	-
Recovery from Alberta Human Resources and Employment	-	(20)	-
	<u>\$ 6,912</u>	<u>\$ 7,861</u>	<u>\$ 6,972</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$11,000 (2001 - \$17,000) in achievement bonuses for management and non-union staff.



Hearthstone Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)					
	2002			2001		
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total	Total	Total
Co-Chair of the Authority	\$ 28	\$ -	\$ 28	\$ 47		
Co-Chair of the Authority ⁽³⁾	\$ 8	\$ -	\$ 8	\$ -		
Board Members (6 members)	\$ 25	\$ -	\$ 25	\$ 32		
Chief Executive Officer	\$ 83	\$ 15	\$ 98	\$ 93		

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The Authority is structured to have two Co-Chair positions. The second Co-Chair was not in place until September 2001.



Hearthstone Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 7,472	\$ 6,757	\$ -	\$ -
Recoveries - Resident on Reserve	182	109	-	-
Recoveries - Inter-Authority Services	162	314	-	-
Transfer from Lottery Fund	-	-	-	3
	<u>\$ 7,816</u>	<u>\$ 7,180</u>	<u>\$ -</u>	<u>\$ 3</u>
Expenses:				
Inter-Authority Services Received	\$ 190	\$ 308	\$ -	\$ -
Department of Children's Services	182	-	-	-
	<u>\$ 372</u>	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 164	\$ 197	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	(1)
Sun Country Child and Family Services Authority	-	2	-	-
Southeast Alberta Child and Family Services Authority	-	1	-	-
Windsong Child and Family Services Authority	-	(5)	-	-
Calgary Rocky View Child and Family Services Authority	8	80	-	-
Diamond Willow Child and Family Services Authority	2	(55)	-	-
Ribstone Child and Family Services Authority	3	30	-	-
Sakaw-Askiy Child and Family Services Authority	-	1	-	-
Child and Family Services Authority Region 13	1	-	-	-
Silver Birch Child and Family Services Authority	-	(2)	-	-
	<u>\$ 178</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ (1)</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 314	\$ 226
Administrative	179	163
Legal Services	7	21
	<u>\$ 500</u>	<u>\$ 410</u>



Hearthstone Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 738	\$ 66	\$ 179	\$ -	\$ 5	\$ -	\$ 988	\$ 719
Child Welfare	4,493	223	-	7	19	-	4,742	4,279
Children with Disabilities	1,275	25	-	-	2	-	1,302	1,054
Day Care	468	-	-	-	-	-	468	388
Early Intervention	435	-	-	-	-	-	435	375
Prevention of Family Violence	264	-	-	-	-	-	264	253
Inter-Authority Services	162	-	-	-	-	-	162	314
	<u>\$ 7,835</u>	<u>\$ 314</u>	<u>\$ 179</u>	<u>\$ 7</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 8,361</u>	<u>\$ 7,382</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the Authority's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Diamond

Willow

Diamond Willow Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Diamond Willow Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Diamond Willow Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Diamond Willow Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 27,692	\$ 29,524	\$ 25,870
Recoveries - Resident on Reserve	400	607	397
Recoveries - Inter-Authority Services	523	527	717
Miscellaneous Revenue	-	65	177
	28,615	30,723	27,161
Expenses: (Schedules 1 and 4)			
Program Support:			
Board Governance	115	579	602
Program Support Services (Note 3)	2,830	2,640	1,687
Services to Children and Families:			
Child Welfare	14,711	17,420	14,951
Children with Disabilities	3,982	4,004	3,939
Day Care	3,949	3,206	3,503
Early Intervention	1,537	1,247	1,225
Prevention of Family Violence	968	711	640
Inter-Authority Services	523	527	717
Valuation Adjustments:			
Vacation Pay (Note 2)	-	122	73
	28,615	30,456	27,337
Net Operating Results	\$ -	\$ 267	\$ (176)

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



Diamond Willow Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ -	\$ 1,634
Accounts Receivable (Note 5)	2,383	1,204
Advances	<u>3</u>	<u>3</u>
	<u>\$ 2,386</u>	<u>\$ 2,841</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 1,794	\$ 2,794
Bank Indebtedness (Note 7)	<u>278</u>	<u>-</u>
	<u>2,072</u>	<u>2,794</u>
Net Assets		
Net Assets at Beginning of Year	47	223
Net Operating Results	<u>267</u>	<u>(176)</u>
Net Assets at End of Year	<u>314</u>	<u>47</u>
	<u>\$ 2,386</u>	<u>\$ 2,841</u>

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



Diamond Willow Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 267	\$ (176)
Non-Cash Items		
Valuation Adjustments	122	73
	389	(103)
Decrease (Increase) in Accounts Receivable	(1,179)	1,451
Increase in Advances	-	(1)
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(1,122)	287
Cash Provided (Used) by Operating Transactions	(1,912)	1,634
Cash, Beginning of Year	1,634	-
Cash/(Bank Indebtedness), End of Year	\$ (278)	\$ 1,634

(a) Adjusted for valuation adjustment.

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



Notes to the Consolidated Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The Diamond Willow Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Diamond Willow Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivable, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$28,615 on November 1, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$1,794 in these financial statements is subject to measurement uncertainty. This is due to the fact that accruals were based on estimated calculated trends and prior period analysis. The actual amount could vary significantly from that estimated.



Diamond Willow Child and Family Services Authority

Notes to the Consolidated Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$663 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$663. Net assets at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 27,692
Additional funding provided for the current year	1,832
Grant for the Year	<u>\$ 29,524</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 686	\$ 880
Child and Family Services Authorities	41	-
Refunds from Suppliers	1,655	324
Other	1	-
	<u>\$ 2,383</u>	<u>\$ 1,204</u>



Diamond Willow Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ -	\$ 241
Child and Family Services Authorities	27	-
Accrued Vacation Pay	776	499
Trade Payable	991	2,054
	<u>\$ 1,794</u>	<u>\$ 2,794</u>

NOTE 7 BANK INDEBTEDNESS

Any interest charges are recorded by the Department of Finance.

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	<u>\$ 130</u>	<u>\$ 124</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	64
2004	\$	45
2005	\$	16
2006	\$	5

NOTE 9 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Diamond Willow Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 5,723	\$ 6,627	\$ 5,445
Supplies and services (Note 3)	20,030	20,952	18,182
Grants	2,862	2,635	2,920
Inter-Authority Services	-	527	717
Other	-	122	73
	<u>28,615</u>	<u>30,863</u>	<u>27,337</u>
Less: Recovery from Alberta Health and Wellness	-	(348)	-
Recovery from Alberta Human Resources and Employment	-	(59)	-
	<u>\$ 28,615</u>	<u>\$ 30,456</u>	<u>\$ 27,337</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$21,354 (2001 - \$46,345) in achievement bonuses for management and non-union staff.



Diamond Willow Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority	\$ 12	\$ -	\$ 12	\$ 13
Co-Chair of the Authority	\$ 15	\$ -	\$ 15	\$ 24
Board Members (10 members)	\$ 42	\$ -	\$ 42	\$ 67
Chief Executive Officer	\$ 101	\$ 22	\$ 123	\$ 113

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Diamond Willow Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 29,524	\$ 25,870	\$ -	\$ -
Recoveries - Resident on Reserve	607	397	-	-
Recoveries - Inter-Authority Services	527	717	-	-
Other (Prior Year Recoveries - Interauthority Services)	39	-	-	-
	\$ 30,697	\$ 26,984	\$ -	\$ -
Expenses				
Inter-Authority Services Received	\$ 146	\$ 273	\$ -	\$ -
Department of Children's Services	663	-	-	-
	\$ 809	\$ 273	\$ -	\$ -
Receivable from/(Payable to):				
Department of Children's Services	\$ 686	586	\$ -	\$ -
Calgary Rocky View Child and Family Services Authority	(3)	15	-	-
Hearthstone Child and Family Services Authority	(1)	46	-	-
Ribstone Child and Family Services Authority	9	3	-	-
West Yellowhead Child and Family Services Authority	3	-	-	-
Keystone Child and Family Services Authority	10	87	-	-
Ma'mowe Capital Region Child and Family Services Authority	(5)	(56)	-	-
Region 14 Child and Family Services Authority	-	2	-	-
Silver Birch Child and Family Services Authority	1	-	-	-
	\$ 700	\$ 683	\$ -	\$ -

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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 773	\$ 738
Administrative	282	257
Legal Services	6	80
	\$ 1,061	\$ 1,075



Diamond Willow Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

(In thousands)								
2002							2001	
Program	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 3,219	\$ 48	\$ 282	\$ -	\$ 8	\$ -	\$ 3,557	\$ 2,596
Child Welfare	17,420	617	-	6	97	-	18,140	15,667
Children with Disabilities	4,004	60	-	-	9	-	4,073	4,008
Day Care	3,206	48	-	-	8	-	3,262	3,556
Early Intervention	1,247	-	-	-	-	-	1,247	1,228
Prevention of Family Violence	711	-	-	-	-	-	711	640
Inter-Authority Services	527	-	-	-	-	-	527	717
	<u>\$ 30,334</u>	<u>\$ 773</u>	<u>\$ 282</u>	<u>\$ 6</u>	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 31,517</u>	<u>\$ 28,412</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Ribstone

Ribstone Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Ribstone Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Ribstone Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Ribstone Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 11,950	\$ 11,660	\$ 10,745
Recoveries - Resident on Reserve	420	259	380
Recoveries - Inter-Authority Services	181	187	145
Miscellaneous Revenue (Note 7)	-	203	67
	<u>12,551</u>	<u>12,309</u>	<u>11,337</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	132	292	464
Program Support Services (Note 3)	1,609	1,037	910
Services to Children and Families:			
Child Welfare	6,488	5,942	5,641
Children with Disabilities	1,795	2,449	2,173
Day Care	1,151	1,210	1,277
Early Intervention	461	550	131
Prevention of Family Violence	734	643	533
Inter-Authority Services	181	187	145
Valuation Adjustments:			
Vacation Pay (Note 2)	-	43	33
	<u>12,551</u>	<u>12,353</u>	<u>11,307</u>
Net Operating Results	<u>\$ -</u>	<u>\$ (44)</u>	<u>\$ 30</u>

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



Ribstone Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 355	\$ 141
Accounts Receivable (Note 5)	<u>318</u>	<u>637</u>
	<u>\$ 673</u>	<u>\$ 778</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 665</u>	<u>\$ 726</u>
Net Assets		
Net Assets at Beginning of Year	52	22
Net Operating Results	<u>(44)</u>	<u>30</u>
Net Assets at End of Year	<u>8</u>	<u>52</u>
	<u>\$ 673</u>	<u>\$ 778</u>

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



Ribstone Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Operating Transactions		
Net Operating Results	\$ (44)	\$ 30
Non-Cash Items		
Valuation Adjustments	<u>43</u>	<u>33</u>
	(1)	63
Decrease (Increase) in Accounts Receivable	319	(54)
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	<u>(104)</u>	<u>132</u>
Cash Provided by Operating Transactions	<u>214</u>	<u>141</u>
Cash, Beginning of Year	141	-
Cash, End of Year	<u>\$ 355</u>	<u>\$ 141</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Ribstone Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Ribstone Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Cash received for which goods or services have not been provided by year-end, is recorded as unearned revenue.

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivable are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$12,551 on April 19, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$318 and \$665 respectively in these financial statements are subject to measurement uncertainty. The receivables and expenditures for the year end are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$263 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$263. Net assets at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 11,950
Reduction in funding provided for the current year	(290)
Grant for the Year	<u>\$ 11,660</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 243	\$ 470
Child and Family Services Authorities	16	94
Refunds from Suppliers	57	73
GST	<u>2</u>	<u>-</u>
	<u>\$ 318</u>	<u>\$ 637</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties such as other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 43	\$ 174
Accrued Vacation Pay	242	192
Trade Payable	<u>380</u>	<u>360</u>
	<u>\$ 665</u>	<u>\$ 726</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 MISCELLANEOUS REVENUE

Miscellaneous revenue includes the following:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Prior Year Refunds	\$ 53	\$ 67
Home Visitation Grant	150	-
	<u>\$ 203</u>	<u>\$ 67</u>

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	<u>\$ 50</u>	<u>\$ 139</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2004. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	4
2004	\$	34
2005	\$	12

NOTE 9 SUBSEQUENT EVENT

The Ministry has decided to change the boundary of the Authority effective April 1, 2002. The effect on the 2002-2003 budget has not been determined.

NOTE 10 VOLUNTARY CONTRIBUTIONS

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

NOTE 11 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Ribstone Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 2,510	\$ 2,818	\$ 2,547
Supplies and services (Note 3)	8,366	7,412	6,073
Grants	1,255	1,933	2,509
Inter-Authority Services	420	187	145
Other	-	43	33
	<u>12,551</u>	<u>12,393</u>	<u>11,307</u>
Less: Recovery from Alberta Human Resources and Employment	-	(40)	-
	<u>\$ 12,551</u>	<u>\$ 12,353</u>	<u>\$ 11,307</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$10,000 (2001 - \$21,000) in achievement bonuses for management and non-union staff.



Ribstone Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)					
	2002			2001		
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total	Total	Total
Co-Chair of the Authority	\$ 12	\$ -	\$ 12	\$ 19		
Co-Chair of the Authority	\$ 16	\$ -	\$ 16	\$ 25		
Board Members (7 members)	\$ 25	\$ -	\$ 25	\$ 36		
Chief Executive Officer	\$ 97	\$ 4	\$ 101	\$ 101		

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Ribstone Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 11,660	\$ 10,745	\$ -	\$ -
Recoveries - Resident on Reserve	259	380	-	-
Recoveries - Inter-Authority Services	187	145	-	-
Home Visitation Grant - Department of Children's Services	150	-	-	-
Other	-	3	-	-
	<u>\$ 12,256</u>	<u>\$ 11,273</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 324	\$ 368	\$ -	\$ -
Department of Children's Services	263	-	-	-
	<u>\$ 587</u>	<u>\$ 368</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 243	\$ 372	\$ -	\$ -
Windsong Child and Family Services Authority	-	2	-	-
Calgary Rocky View Child and Family Services Authority	1	11	-	-
Hearthstone Child and Family Services Authority	(3)	(53)	-	-
Diamond Willow Child and Family Services Authority	(9)	(3)	-	-
West Yellowhead Child and Family Services Authority	1	7	-	-
Keystone Child and Family Services Authority	3	27	-	-
Ma'mowe Capital Region Child and Family Services Authority	(23)	21	-	-
Sakaigun Asky Child and Family Services Authority	-	6	-	-
Metis Settlements Child and Family Services Authority	3	-	-	-
	<u>\$ 216</u>	<u>\$ 390</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 421	\$ 796
Administrative	168	153
Legal Services	38	29
	<u>\$ 627</u>	<u>\$ 978</u>



Ribstone Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							
	2002							2001
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 1,329	\$ 42	\$ 168	\$ -	\$ 4	\$ -	\$ 1,543	\$ 1,608
Child Welfare	5,942	288	-	38	29	-	6,297	6,260
Children with Disabilities	2,449	63	-	-	7	-	2,519	2,277
Day Care	1,210	28	-	-	3	-	1,241	1,330
Early Intervention	550	-	-	-	-	-	550	131
Prevention of Family Violence	643	-	-	-	-	-	643	533
Inter-Authority Services	187	-	-	-	-	-	187	145
	<u>\$ 12,310</u>	<u>\$ 421</u>	<u>\$ 168</u>	<u>\$ 38</u>	<u>\$ 43</u>	<u>\$ -</u>	<u>\$ 12,980</u>	<u>\$ 12,284</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





West Yellowhead

West Yellowhead Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the West Yellowhead Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the West Yellowhead Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



West Yellowhead Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 13,632	\$ 14,224	\$ 13,106
Recoveries - Resident on Reserve	1,404	3,862	3,095
Recoveries - Inter-Authority Services	260	265	885
Miscellaneous Revenue	-	100	63
	<u>15,296</u>	<u>18,451</u>	<u>17,149</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	597	472	392
Program Support Services (Note 3)	595	547	161
Services to Children and Families:			
Child Welfare	9,107	12,354	11,711
Children with Disabilities	1,611	1,526	1,289
Day Care	1,337	1,383	1,345
Early Intervention	1,077	974	1,046
Prevention of Family Violence	712	419	428
Inter-Authority Services	260	265	885
Valuation Adjustments:			
Vacation Pay (Note 2)	-	40	52
	<u>15,296</u>	<u>17,980</u>	<u>17,309</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 471</u>	<u>\$ (160)</u>

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



West Yellowhead Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 74	\$ -
Accounts Receivable (Note 5)	1,286	2,560
Advances	1	-
	<u>\$ 1,361</u>	<u>\$ 2,560</u>
Liabilities		
Bank Indebtedness (Note 6)	\$ -	\$ 621
Accounts Payable and Accrued Liabilities (Note 7)	1,267	2,316
	<u>1,267</u>	<u>2,937</u>
Net Assets (Liabilities)		
Net Liabilities at Beginning of Year	(377)	(217)
Net Operating Results	471	(160)
Net Assets (Liabilities) at End of Year	<u>94</u>	<u>(377)</u>
	<u>\$ 1,361</u>	<u>\$ 2,560</u>

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



West Yellowhead Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 471	\$ (160)
Non-Cash Items		
Valuation Adjustments	40	52
	511	(108)
Decrease (Increase) in Accounts Receivable	1,274	(243)
Increase in Advances	(1)	-
Decrease in Accounts Payable and Accrued Liabilities ^(a)	(1,089)	(272)
Cash Provided (Used) by Operating Transactions	695	(623)
Cash/(Bank Indebtedness), Beginning of Year	(621)	2
Cash/(Bank Indebtedness), End of Year	\$ 74	\$ (621)

(a) Adjusted for valuation adjustment.

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



West Yellowhead Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The West Yellowhead Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the West Yellowhead Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Cash received for which goods or services have not been provided by year-end, is recorded as unearned revenue.

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



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

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivable, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$15,296 on May 24, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$1,286 and \$1,267 respectively in these financial statements are subject to measurement uncertainty. The receivables and expenditures for the year end are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.



West Yellowhead Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the

Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$395 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$395. Net liabilities at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 13,632
Additional funding provided for the current year	215
Additional funding provided to eliminate the prior year deficit	377
Grant for the Year	\$ 14,224

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	2002	2001
Department of Children's Services	\$ 1,131	\$ 2,552
Child and Family Services Authorities	64	-
GST	1	-
Alberta Health and Wellness	90	-
Out of Province Ward	-	8
	\$ 1,286	\$ 2,560

NOTE 6 BANK INDEBTEDNESS

Any interest charges were recorded by the Department of Finance.



West Yellowhead Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 189	\$ 786
Accrued Vacation Pay	364	312
Trade Payable	714	1,218
	<u>\$ 1,267</u>	<u>\$ 2,316</u>

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	\$ 81	\$ 98

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	2
2004	\$	10
2005	\$	69

NOTE 9 VOLUNTARY CONTRIBUTIONS

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

NOTE 10 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



West Yellowhead Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 3,059	\$ 4,078	\$ 3,207
Supplies and services (Note 3)	10,447	12,419	11,939
Grants	1,530	1,362	1,226
Inter-Authority Services	260	265	885
Other	-	40	52
	<u>15,296</u>	<u>18,164</u>	<u>17,309</u>
Less: Recovery from Alberta Health and Wellness		(90)	-
Recovery from Alberta Human Resources and Employment	-	(94)	-
	<u>\$ 15,296</u>	<u>\$ 17,980</u>	<u>\$ 17,309</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$9,000 (2001 - \$23,000) in achievement bonuses for management and non-union staff.



West Yellowhead Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority	\$ 18	\$ -	\$ 18	\$ 21
Co-Chair of the Authority	\$ 19	\$ -	\$ 19	\$ 18
Board Members (5 members)	\$ 27	\$ -	\$ 27	\$ 39
Chief Executive Officer ⁽³⁾	\$ 90	\$ 15	\$ 105	\$ 89

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.

(3) The position was occupied by four individuals during the year.



West Yellowhead Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 14,224	\$ 13,106	\$ -	\$ -
Recoveries - Resident on Reserve	3,862	3,095	-	-
Recoveries - Inter-Authority Services	265	885	-	-
Prior Year - First Nations Recoveries	-	63	-	-
	<u>\$ 18,351</u>	<u>\$ 17,149</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 1,245	\$ 1,581	\$ -	\$ -
Department of Children's Services	395	-	-	-
	<u>\$ 1,640</u>	<u>\$ 1,581</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 1,131	\$ 1,797	\$ -	\$ -
Windsong Child and Family Services Authority	-	(3)	-	-
Calgary Rocky View Child and Family Services Authority	(1)	(9)	-	-
Diamond Willow Child and Family Services Authority	(3)	(2)	-	-
Ribstone Child and Family Services Authority	-	(6)	-	-
Keystone Child and Family Services Authority	-	1	-	-
Ma'mowe Capital Region Child and Family Services Authority	(175)	(187)	-	-
Sakaw-Askiy Child and Family Services Authority	55	195	-	-
Sakaigun Asky Child and Family Services Authority	2	(9)	-	-
Child and Family Services Authority Region 13	(2)	-	-	-
Region 14 Child and Family Services Authority	-	-	-	-
Awasak Child and Family Services Authority	(1)	(10)	-	-
Silver Birch Child and Family Services Authority	-	(1)	-	-
	<u>\$ 1,006</u>	<u>\$ 1,766</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 434	\$ 304
Administrative	162	147
Legal Services	172	61
	<u>\$ 768</u>	<u>\$ 512</u>



West Yellowhead Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

(In thousands)								
2002							2001	
Program	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 1,019	\$ 31	\$ 162	\$ -	\$ 3	\$ -	\$ 1,215	\$ 719
Child Welfare	12,354	362	-	172	33	-	12,921	12,074
Children with Disabilities	1,526	26	-	-	2	-	1,554	1,311
Day Care	1,383	10	-	-	1	-	1,394	1,354
Early Intervention	974	5	-	-	1	-	980	1,048
Prevention of Family Violence	419	-	-	-	-	-	419	430
Inter-Authority Services	265	-	-	-	-	-	265	885
	<u>\$ 17,940</u>	<u>\$ 434</u>	<u>\$ 162</u>	<u>\$ 172</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ 18,748</u>	<u>\$ 17,821</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Keystone

Keystone Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Keystone Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Keystone Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Keystone Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 8,590	\$ 9,666	\$ 7,421
Recoveries - Resident on Reserve	3,000	3,587	2,904
Recoveries - Inter-Authority Services	-	8	51
Miscellaneous Revenue	-	16	6
	<u>11,590</u>	<u>13,277</u>	<u>10,382</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	160	316	348
Program Support Services (Note 3)	790	588	133
Services to Children and Families:			
Child Welfare	7,871	9,113	8,460
Children with Disabilities	1,010	1,226	1,176
Day Care	815	732	755
Early Intervention	828	561	625
Prevention of Family Violence	116	137	112
Inter-Authority Services	-	8	51
Valuation Adjustments:			
Vacation Pay (Note 2)	-	50	34
	<u>11,590</u>	<u>12,731</u>	<u>11,694</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 546</u>	<u>\$ (1,312)</u>

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



Keystone Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ -	\$ 32
Accounts Receivable (Note 5)	904	694
Advances	-	1
	<u>\$ 904</u>	<u>\$ 727</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 707	\$ 1,225
Bank Indebtedness (Note 7)	149	-
	<u>856</u>	<u>1,225</u>
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	(498)	814
Net Operating Results	546	(1,312)
Net Assets (Liabilities) at End of Year	<u>48</u>	<u>(498)</u>
	<u>\$ 904</u>	<u>\$ 727</u>

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



Keystone Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 546	\$ (1,312)
Non-Cash Items		
Valuation Adjustments	50	34
	596	(1,278)
Decrease (Increase) in Accounts Receivable	(210)	701
Decrease in Advances	1	2
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(568)	607
Cash Provided (Used) by Operating Transactions	(181)	32
Cash, Beginning of Year	32	-
Cash/(Bank Indebtedness), End of Year	<u>\$ (149)</u>	<u>\$ 32</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Keystone Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Keystone Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurred by Others

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

Assets

Cash, accounts receivables, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Bank indebtedness and accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$11,590 on April 24, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$707 in these financial statements is subject to measurement uncertainty, due to the fact that accruals were based on estimated calculated trends and prior period analysis as well as current child placement. The actual amount could vary significantly from that estimated.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$400 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$400. Net assets (liabilities) at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	<u>(In thousands)</u>
Initial (original) budget	\$ 8,590
Additional funding provided for the current year	578
Additional funding provided to eliminate the prior year deficit	498
Grant for the Year	<u>\$ 9,666</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	<u>(In thousands)</u>	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 878	\$ 672
Refunds from Suppliers	25	22
Other	1	-
	<u>\$ 904</u>	<u>\$ 694</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	<u>(In thousands)</u>	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 43	\$ 394
Accrued Vacation Pay	284	203
Trade Payable	380	622
Other	-	6
	<u>\$ 707</u>	<u>\$ 1,225</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 BANK INDEBTEDNESS

Any interest charges are recorded by the Department of Finance.

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	<u>\$ 85</u>	<u>\$ 87</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2005. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	53
2004	\$	28
2005	\$	4

NOTE 9 VOLUNTARY CONTRIBUTIONS

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

NOTE 10 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Keystone Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 2,318	\$ 3,508	\$ 3,007
Supplies and services (Note 3)	8,113	8,615	7,980
Grants	1,159	576	622
Inter-Authority Services	-	8	51
Other	-	50	34
	<u>11,590</u>	<u>12,757</u>	<u>11,694</u>
Less: Recovery from Alberta Human Resources and Employment	-	(26)	-
	<u>\$ 11,590</u>	<u>\$ 12,731</u>	<u>\$ 11,694</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$15,494 (2001 - \$13,481) in achievement bonuses for management and non-union staff.



Keystone Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority ⁽³⁾	\$ 15	\$ -	\$ 15	\$ 10
Co-Chair of the Authority ⁽³⁾	\$ 7	\$ -	\$ 7	\$ 19
Chair of the Authority	\$ -	\$ -	\$ -	\$ 6
Board Members (5 members)	\$ 39	\$ -	\$ 39	\$ 36
Chief Executive Officer	\$ 90	\$ 15	\$ 105	\$ 97

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The position was occupied by one individual until September 1, 2001 and by two individuals for the remainder of the year.



Keystone Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 9,666	\$ 7,421	\$ -	\$ -
Recoveries - Resident on Reserve	3,587	2,904	-	-
Recoveries - Inter-Authority Services	8	51	-	-
	<u>\$ 13,261</u>	<u>\$ 10,376</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 496	\$ 674	\$ -	\$ -
Department of Children's Services	400	-	-	-
	<u>\$ 896</u>	<u>\$ 674</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 878	\$ 571	\$ -	\$ -
Department of Human Resources and Employment	-	(6)	-	-
Hearthstone Child and Family Services Authority	-	1	-	-
Diamond Willow Child and Family Services Authority	(10)	(87)	-	-
Ribstone Child and Family Services Authority	(3)	(27)	-	-
Sakaigun Asky Child and Family Services Authority	-	(2)	-	-
Ma'mowe Capital Region Child and Family Services Authority	(30)	(212)	-	-
Neegan Awas'sak Child and Family Services Authority	-	33	-	-
	<u>\$ 835</u>	<u>\$ 271</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 284	\$ 306
Administrative	230	209
Legal Services	4	45
	<u>\$ 518</u>	<u>\$ 560</u>



Keystone Child and Family Services Authority

Allocated Costs

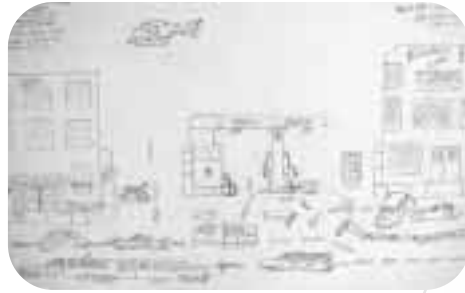
For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							
	2002							2001
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 904	\$ 17	\$ 230	\$ -	\$ 3	\$ -	\$ 1,154	\$ 722
Child Welfare	9,113	211	-	4	37	-	9,365	8,758
Children with Disabilities	1,226	22	-	-	4	-	1,252	1,194
Day Care	732	17	-	-	3	-	752	766
Early Intervention	561	17	-	-	3	-	581	651
Prevention of Family Violence	137	-	-	-	-	-	137	112
Inter-Authority Services	8	-	-	-	-	-	8	51
	<u>\$ 12,681</u>	<u>\$ 284</u>	<u>\$ 230</u>	<u>\$ 4</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 13,249</u>	<u>\$ 12,254</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Ma'mõwe Capital Region Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Ma'mowe Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Ma'mowe Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 17, 2002



Ma'mowe Capital Region Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 169,441	\$ 181,848	\$ 171,489
Recoveries - Resident on Reserve	3,250	3,072	3,207
Recoveries - Inter-Authority Services	3,971	2,526	3,371
Miscellaneous Revenue (Note 8)	1,293	4,504	1,224
	<u>177,955</u>	<u>191,950</u>	<u>179,291</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	150	720	688
Program Support Services (Note 3)	7,503	7,053	1,112
Services to Children and Families:			
Child Welfare	113,278	127,055	117,882
Children with Disabilities	15,948	17,190	17,366
Day Care	28,126	23,874	26,373
Early Intervention	6,144	7,369	4,397
Prevention of Family Violence	2,835	2,870	2,457
Inter-Authority Services	3,971	2,526	3,371
Valuation Adjustments:			
Vacation Pay (Note 2)	-	552	197
Amortization	-	7	-
	<u>177,955</u>	<u>189,216</u>	<u>173,843</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 2,734</u>	<u>\$ 5,448</u>

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



Ma'mowe Capital Region Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 5,593	\$ 1,918
Accounts Receivable (Note 5)	6,475	8,017
Advances	5	-
Capital Assets (Note 6)	57	-
	<u>\$ 12,130</u>	<u>\$ 9,935</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 7)	<u>\$ 10,732</u>	<u>\$ 11,271</u>
Net Assets (Liabilities)		
Net Liabilities at Beginning of Year	(1,336)	(6,784)
Net Operating Results	<u>2,734</u>	<u>5,448</u>
Net Assets (Liabilities) at End of Year	<u>1,398</u>	<u>(1,336)</u>
	<u>\$ 12,130</u>	<u>\$ 9,935</u>

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



Ma'mowe Capital Region Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 2,734	\$ 5,448
Non-Cash Items		
Amortization of Capital Assets	7	-
Valuation Adjustments	552	197
	<u>3,293</u>	<u>5,645</u>
Decrease (Increase) in Accounts Receivable	1,542	(624)
Increase in Advances	(5)	-
Decrease in Accounts Payable and Accrued Liabilities ^(a)	(1,091)	(3,111)
Cash Provided by Operating Transactions	<u>3,739</u>	<u>1,910</u>
Investing Transactions		
Purchases of Capital Assets	(64)	-
Cash Used by Investing Transactions	<u>(64)</u>	<u>-</u>
Cash Provided	<u>3,675</u>	<u>1,910</u>
Cash, Beginning of Year	1,918	8
Cash, End of Year	<u>\$ 5,593</u>	<u>\$ 1,918</u>

(a) Adjusted for valuation adjustment.

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



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The Ma'mowe Capital Region Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Ma'mowe Capital Region Child and Family Services Authority which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- amortization of capital assets
- 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 the provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivable, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-02 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$177,955 on March 29, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$6,475 and \$10,732 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities for this quarter end are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.



Ma'mowe Capital Region Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$3,532 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$3,532. Net assets (liabilities) at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Initial (original) budget	\$ 169,441
Additional funding provided for the current year	11,071
Additional funding provided to eliminate the prior year deficit	1,336
Grant for the Year	<u>\$ 181,848</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 4,343	\$ 5,702
Child and Family Services Authorities	470	1,338
Refunds from Suppliers	717	977
Student Health Initiative	813	-
Alberta Human Resources and Employment	57	-
Other	75	-
	<u>\$ 6,475</u>	<u>\$ 8,017</u>

NOTE 6 CAPITAL ASSETS

	(In thousands)				
	<u>2002</u>				<u>2001</u>
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	5	\$ 64	\$ 7	\$ 57	\$ -



Ma'mowe Capital Region Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ -	\$ 169
Child and Family Services Authorities	58	458
Accrued Vacation Pay	4,215	3,514
Trade Payable	6,459	7,130
	<u>\$ 10,732</u>	<u>\$ 11,271</u>

NOTE 8 MISCELLANEOUS REVENUE

Miscellaneous revenues include the following:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Donations	\$ 64	\$ 33
Recoveries of costs incurred under an agreement (see Note 9)	1,693	794
Home Visitation Grant	1,500	-
Other miscellaneous revenue	1,247	397
	<u>\$ 4,504</u>	<u>\$ 1,224</u>

NOTE 9 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Long-term leases ^(a)	\$ 17	\$ 37

- (a) The Authority leases certain equipment under operating leases that expire on various dates to 2003. The aggregate amounts payable for the unexpired terms of these leases are \$17 in 2003.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 10 THIRD PARTY AGREEMENTS

The Student Health Initiative is a joint initiative of provincial government partners in Education, Health, Mental Health and Ma'mowe Capital Region Child and Family Services Authority to deliver integrated health and related support services for children with special health needs registered in school programs. The program commenced June 2000. All costs incurred under this agreement are covered by reimbursement through approved provincial funds.

The revenues and expenses of \$1,534 and the resulting account receivable of \$813 are included in the financial statements.

A Shared Services Agreement between Ma'mowe Capital Region Child and Family Services Authority and Alberta Human Resources and Employment provides for seven full time equivalent (FTE) staff that are assigned to the Edmonton Crisis Unit. The agreement further provides Alberta Human Resources and Employment to reimburse Ma'mowe Capital Region Child and Family Services Authority for all salary and benefits costs associated with the seven FTE staff.

The revenues and expenses of \$159 and the resulting account receivable of \$57 are included in the financial statements.

NOTE 11 VOLUNTARY CONTRIBUTIONS

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

NOTE 12 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Ma'mowe Capital Region Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 35,591	\$ 42,637	\$ 36,251
Supplies and services (Note 3)	120,597	123,179	110,214
Grants	17,796	21,173	23,808
Amortization of Capital Assets	-	7	-
Inter-Authority Services	3,971	2,526	3,371
Other	-	552	199
	<u>177,955</u>	<u>190,074</u>	<u>173,843</u>
Less: Recovery from Alberta Human Resources and Employment	-	(858)	-
	<u>\$ 177,955</u>	<u>\$ 189,216</u>	<u>\$ 173,843</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$76,000 (2001 - \$165,000) in achievement bonuses for management and non-union staff.



Ma'mowe Capital Region Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)				
	2002			2001	
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total	
Co-Chair of the Authority	\$ 6	\$ -	\$ 6	\$ 11	
Co-Chair of the Authority ⁽³⁾	\$ 13	\$ -	\$ 13	\$ 10	
Board Members (12 members)	\$ 66	\$ -	\$ 66	\$	
Chief Executive Officer ⁽⁴⁾	\$ 155	\$ 9	\$ 164	\$ 132	

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) Two individuals occupied this position during the year.
- (4) Two individuals occupied this position during the year. The current CEO's services were shared with Calgary Rock View Child and Family Services Authority and Sakaw-Askiy Child and Family Services Authority who contributed their own share of the cost of salary and benefits. This represents full salary and benefits paid to the individual for the period of June 1, 2001 to March 31, 2002.



Ma'mowe Capital Region Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001 (Restated)
Revenues:				
Grant from the Department of Children's Services	\$ 181,848	\$ 171,489	\$ -	\$ -
Recoveries - Resident on Reserve	3,072	3,207	-	-
Recoveries - Inter-Authority Services	2,526	3,371	-	-
Recoveries - Crisis Unit	873	-	-	-
Conditional Grant - Home Visitation Program (Dep't. of Children's Services)	1,500	-	-	-
Prior Year Revenue - Inter-Authority Services	14	74	-	-
Miscellaneous Revenue:				
Persons with Developmental Disabilities	-	-	53	-
Alberta Human Resources and Employment	-	-	159	-
	<u>\$ 189,833</u>	<u>\$ 178,141</u>	<u>\$ 212</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 229	\$ 1,245	\$ -	\$ -
Department of Children's Services	3,532	-	-	-
	<u>\$ 3,761</u>	<u>\$ 1,245</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 4,343	\$ 5,533	\$ -	\$ -
Calgary Rocky View Child and Family Services Authority	12	26	-	-
Diamond Willow Child and Family Services Authority	5	26	-	-
Ribstone Child and Family Services Authority	23	(21)	-	-
West Yellowhead Child and Family Services Authority	175	205	-	-
Keystone Child and Family Services Authority	30	203	-	-
Sakaw-Askay Child and Family Services Authority	85	462	-	-
Sakaigun Asky Child and Family Services Authority	68	(30)	-	-
Child and Family Services Authority Region 13	(9)	(2)	-	-
Neegan Awas'sak Child and Family Services Authority	2	-	-	-
Awesak Child and Family Services Authority	20	9	-	-
Silver Birch Child and Family Services Authority	1	-	-	-
Alberta Human Resources and Employment	-	-	57	-
Persons with Developmental Disabilities	-	-	15	64
	<u>\$ 4,755</u>	<u>\$ 6,411</u>	<u>\$ 72</u>	<u>\$ 64</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 4,697	\$ 4,470
Administrative	478	436
Legal Services	1,472	611
	<u>\$ 6,647</u>	<u>\$ 5,517</u>



Ma'mowe Capital Region Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Accommodation Expenses ⁽¹⁾	Administrative Costs ⁽²⁾	Legal Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 7,773	\$ 332	\$ 478	\$ 221	\$ 39	\$ -	\$ 8,843	\$ 2,414
Child Welfare	127,055	3,756	-	1,251	441	-	132,503	122,222
Children with Disabilities	17,197	338	-	-	40	-	17,575	17,836
Day Care	23,874	237	-	-	28	-	24,139	26,630
Early Intervention	7,369	23	-	-	3	-	7,395	4,419
Prevention of Family Violence	2,870	11	-	-	1	-	2,882	2,468
Inter-Authority Services	2,526	-	-	-	-	-	2,526	3,371
	<u>\$ 188,664</u>	<u>\$ 4,697</u>	<u>\$ 478</u>	<u>\$ 1,472</u>	<u>\$ 552</u>	<u>\$ -</u>	<u>\$ 195,863</u>	<u>\$ 179,360</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were proportionately allocated to the Child Welfare program for legal services provided under the Child Welfare Act and to the Program Support program for general advice and assistance.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Sakaw-Askiy

Sakaw-Askiy Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Sakaw-Askiy Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Sakaw-Askiy Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Sakaw-Askig Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 14,027	\$ 18,954	\$ 13,867
Recoveries - Resident on Reserve	98	314	487
Recoveries - Inter-Authority Services	-	63	288
Miscellaneous Revenue (Note 8)	-	49	-
	<u>14,125</u>	<u>19,380</u>	<u>14,642</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	597	546	598
Program Support Services (Note 3)	364	368	-
Services to Children and Families:			
Child Welfare	9,142	12,432	10,936
Children with Disabilities	1,782	2,372	1,919
Day Care	1,136	1,343	1,351
Early Intervention	902	776	760
Prevention of Family Violence	202	217	177
Inter-Authority Services	-	63	288
Valuation Adjustments:			
Vacation Pay (Note 2)	-	1	55
	<u>14,125</u>	<u>18,118</u>	<u>16,084</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 1,262</u>	<u>\$ (1,442)</u>

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



Sakaw-Askig Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 1,168	\$ 434
Accounts Receivable (Note 5)	542	1,247
Advances	1	1
	<u>\$ 1,711</u>	<u>\$ 1,682</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 1,437</u>	<u>\$ 2,670</u>
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	(988)	454
Net Operating Results	<u>1,262</u>	<u>(1,442)</u>
Net Assets (Liabilities) at End of Year	<u>274</u>	<u>(988)</u>
	<u>\$ 1,711</u>	<u>\$ 1,682</u>

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



Sakaw-Askig Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 1,262	\$ (1,442)
Non-Cash Items		
Valuation Adjustments	1	55
	1,263	(1,387)
Decrease in Accounts Receivable	705	776
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(1,234)	1,044
Cash Provided by Operating Transactions	734	433
Cash, Beginning of Year	434	1
Cash, End of Year	<u>\$ 1,168</u>	<u>\$ 434</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Sakaw-Askiy Child and Family Services Authority operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999, and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Sakaw-Askiy Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivable, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$14,125.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable in the amount of \$542 and accounts payable and accrued liabilities in the amount of \$1,437 were calculated based on management input, whereby the accruals were estimated with an average lag time of six to eight weeks. These estimates are subject to measurement uncertainty. The actual amount could vary significantly from that estimated.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$364 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$364. Net assets (liabilities) at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 14,027
Additional funding provided for the current year	3,939
Additional funding provided to eliminate the prior year deficit	988
Grant for the Year	<u>\$ 18,954</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 390	\$ 915
Child and Family Services Authorities	56	206
Refunds from Suppliers	95	126
GST Receivable	1	-
	<u>\$ 542</u>	<u>\$ 1,247</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 264	\$ 764
Child and Family Services Authorities	189	866
Accrued Vacation Pay	20	263
Trades Payable	859	777
Grants Payable	105	-
	<u>\$ 1,437</u>	<u>\$ 2,670</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Service contracts	\$ 260	\$ -
Long-term leases ^(a)	79	47
	<u>\$ 339</u>	<u>\$ 47</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2004. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	71
2004	\$	8

NOTE 8 MISCELLANEOUS REVENUES

Miscellaneous revenue includes the following:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 45	\$ -
Refund from Supplier	4	-
	<u>\$ 49</u>	<u>\$ -</u>

NOTE 9 SUBSEQUENT EVENT

The Ministry has decided to change the boundary of the Authority effective April 1, 2002. The effect on the 2002-2003 budget has not been determined.

NOTE 10 VOLUNTARY CONTRIBUTIONS

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

NOTE 11 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Sakaw-Askig Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 2,825	\$ 3,657	\$ 3,439
Supplies and services (Note 3)	9,888	13,309	11,132
Grants	1,412	1,135	1,170
Inter-Authority Services	-	63	288
Other	-	1	55
	<u>\$ 14,125</u>	<u>\$18,165</u>	<u>\$ 16,084</u>
Less: Recovery from Alberta Human Resources and Employment	-	(47)	-
	<u>\$ 14,125</u>	<u>\$ 18,118</u>	<u>\$ 16,084</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$9,000 (2001 - \$22,000) in achievement bonuses for management and non-union staff.



Sakaw-Askig Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority	\$ 26	\$ -	\$ 26	\$ 11
Co-Chair of the Authority	\$ 13	\$ -	\$ 13	\$ 17
Board Members (8 members) ⁽³⁾	\$ 61	\$ -	\$ 61	\$ 58
Chief Executive Officer ⁽⁴⁾	\$ 149	\$ 25	\$ 175	\$ 97

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) One Board Member resigned December 28, 2001. This position remained vacant for the remainder of the year.
- (4) The Chief Executive Officer position was occupied by two individuals through the year. The new Chief Executive Officer was effective for March 4, 2002, and is also the CEO for Ma'mowe Capital Region Child and Family Services Authority.



Sakaw-Askig Child and Family Services Authority

Related Party Transactions

For the period ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 18,954	\$ 13,867	\$ -	\$ -
Recoveries - Resident on Reserve	314	487	-	-
Recoveries - Inter-Authority Services	63	284	-	-
	<u>\$ 19,331</u>	<u>\$ 14,638</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ (3)	\$ 1,649	\$ -	\$ -
Department of Children's Services	364	55	-	-
	<u>\$ 361</u>	<u>\$ 1,704</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 126	\$ 119	\$ -	\$ -
West Yellowhead Child and Family Services Authority	(55)	(66)	-	-
Ma'mowe Capital Region Child and Family Services Authority	(85)	(462)	-	-
Sakaigun Asky Child and Family Services Authority	-	(39)	-	-
Child and Family Services Authority Region 13	-	19	-	-
Neegan Awas'sak Child and Family Services Authority	-	(75)	-	-
Awasak Child and Family Services Authority	7	(55)	-	-
	<u>\$ (8)</u>	<u>\$ (559)</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 331	\$ 346
Administration	262	463
Legal Services	28	56
	<u>\$ 621</u>	<u>\$ 865</u>



Sakaw-Askig Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 914	\$ 21	\$ 262	\$ -	\$ -	\$ -	\$ 1,197	\$ 1,086
Child Welfare	12,432	277	-	28	1	-	12,738	11,339
Children with Disabilities	2,372	11	-	-	-	-	2,383	1,925
Day Care	1,343	11	-	-	-	-	1,354	1,358
Early Intervention	776	11	-	-	-	-	787	775
Prevention of Family Violence	217	-	-	-	-	-	217	177
Inter-Authority Services	63	-	-	-	-	-	63	288
	<u>\$ 18,117</u>	<u>\$ 331</u>	<u>\$ 262</u>	<u>\$ 28</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 18,739</u>	<u>\$ 16,948</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Sakaigun Asky

Sakaigun Asky Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Sakaigun Asky Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Sakaigun Asky Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Sakaigun Asky Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 16,225	\$ 16,590	\$ 16,147
Recoveries - Resident on Reserve	755	828	890
Recoveries - Inter-Authority Services	348	1,098	421
Miscellaneous Revenue (Note 7)	60	118	39
	<u>17,388</u>	<u>18,634</u>	<u>17,497</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	597	382	489
Program Support Services (Note 3)	520	510	39
Services to Children and Families:			
Child Welfare	10,424	11,084	10,321
Children with Disabilities	1,327	1,389	1,364
Day Care	1,613	1,507	1,554
Early Intervention	1,636	1,402	1,681
Prevention of Family Violence	923	937	1,070
Inter-Authority Services	348	1,098	421
Valuation Adjustments:			
Vacation Pay (Note 2)	-	81	86
	<u>17,388</u>	<u>18,390</u>	<u>17,025</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 244</u>	<u>\$ 472</u>

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



Sakaigun Asky Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 936	\$ 815
Accounts Receivable (Note 5)	1,097	1,108
Advances	1	1
	<u>\$ 2,034</u>	<u>\$ 1,924</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 1,556</u>	<u>\$ 1,690</u>
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	234	(238)
Net Operating Results	<u>244</u>	<u>472</u>
Net Assets at End of Year	<u>478</u>	<u>234</u>
	<u>\$ 2,034</u>	<u>\$ 1,924</u>

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



Sakaigun Asky Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 244	\$ 472
Non-Cash Items		
Valuation Adjustments	81	86
	<u>325</u>	<u>558</u>
Decrease in Accounts Receivable	11	173
Decrease in Advances	-	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(215)	83
Cash Provided by Operating Transactions	<u>121</u>	<u>815</u>
Cash, Beginning of Year	815	-
Cash, End of Year	<u>\$ 936</u>	<u>\$ 815</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Sakaigun Asky Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer, 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Sakaigun Asky Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for the CEO and for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivable, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$17,388 on February 10, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$1,556 in these financial statements is subject to measurement uncertainty. Accruals have been estimated by vendor based on the billings outstanding as of March 31, 2002 using previous months invoices, and the individual financial plans per child. The actual amount could vary significantly from that estimated.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$460 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$460. Net assets (liabilities) at the beginning of the year would not have been impacted by the accounting policy change as any expenses recognized would have been offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	<u>(In thousands)</u>
Original budget	\$ 16,225
Additional funding provided for the current year	365
Grant for the Year	<u>\$ 16,590</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	<u>(In thousands)</u>	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 622	\$ 449
Child and Family Services Authorities	372	623
Refunds from Suppliers	14	-
Other	89	36
	<u>\$ 1,097</u>	<u>\$ 1,108</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties such as other Child and Family Services Authorities and the remaining transactions are with external parties.

	<u>(In thousands)</u>	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 196	\$ 249
Accrued Vacation Pay	422	341
Trade Payable	938	1,100
	<u>\$ 1,556</u>	<u>\$ 1,690</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 MISCELLANEOUS REVENUES

Miscellaneous revenue includes the following:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Recoveries of costs incurred under an agreement (see Note 9)	\$ 50	\$ 39
Other miscellaneous revenue	68	
	<u>\$ 118</u>	<u>\$ 39</u>

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Service contracts	\$ 581	\$ 254
Long-term leases ^(a)	111	212
	<u>\$ 692</u>	<u>\$ 466</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2004. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	80
2004	\$	31

NOTE 9 THIRD PARTY AGREEMENT (In thousands)

In partnership with the Elk Island School Division, the Authority has entered into an agreement to delivery programs under the Student Health Initiative. The revenues and expenses of \$50 and the resulting account receivable of \$50 are included in the financial statements.

NOTE 10 SUBSEQUENT EVENT

The Ministry has decided to change the boundary of the Authority effective April 1, 2002. The effect on the 2002-2003 budget has not been determined.

NOTE 11 VOLUNTARY CONTRIBUTIONS

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

NOTE 12 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 13 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Sakaigun Asky Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 3,478	\$ 5,324	\$ 3,815
Supplies and services (Note 3)	12,171	10,850	11,361
Grants	1,739	1,256	1,342
Inter-Authority Services	-	1,098	421
Other	-	81	86
	<u>17,388</u>	<u>18,609</u>	<u>17,025</u>
Less: Recovery from Alberta Human Resources and Employment	-	(35)	-
Recovery from Alberta Health and Wellness	-	(184)	-
	<u>\$ 17,388</u>	<u>\$ 18,390</u>	<u>\$ 17,025</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$15,000 (2001 - \$21,000) in achievement bonuses for management and non-union staff.



Sakaigun Asky Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority	\$ 13	\$ -	\$ 13	\$ 14
Co-Chair of the Authority	\$ 16	\$ -	\$ 16	\$ 20
Board Members (5 members)	\$ 34	\$ -	\$ 34	\$
Chief Executive Officer	\$ 102	\$ 13	\$ 115	\$ 84

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Sakaigun Asky Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 16,590	\$ 16,147	\$ -	\$ -
Recoveries - Resident on Reserve	828	890	-	-
Recoveries - Inter-Authority Services	1,098	421	-	-
	<u>\$ 18,516</u>	<u>\$ 17,458</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses				
Inter-Authority Services Received	\$ 466	\$ 411	\$ -	\$ -
Department of Children's Services	460	-	-	-
	<u>\$ 926</u>	<u>\$ 411</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 622	\$ 852	\$ -	\$ -
Calgary Rocky View Child and Family Services Authority	-	(2)	-	-
Ribstone Child and Family Services Authority	-	(4)	-	-
West Yellowhead Child and Family Services Authority	(2)	2	-	-
Ma'mowe Capital Region Child and Family Services Authority	(68)	14	-	-
Sakaw-Askiy Child and Family Services Authority	-	23	-	-
Keystone Child and Family Services Authority	-	2	-	-
Neegan Awas'sak Child and Family Services Authority	-	(13)	-	-
Awasak Child and Family Services Authority	243	(37)	-	-
Metis Settlements Child and Family Services Authority	4	5	-	-
	<u>799</u>	<u>\$ 842</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 784	\$ 465
Administrative	287	262
Legal Services	32	54
	<u>\$ 1,103</u>	<u>\$ 781</u>



Sakaigun Asky Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							
	2002							2001
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 892	\$ 16	\$ 287	\$ -	\$ 2	\$ -	\$ 1,197	\$ 801
Child Welfare	11,084	704	-	32	73	-	11,893	10,869
Children with Disabilities	1,389	24	-	-	2	-	1,415	1,375
Day Care	1,507	40	-	-	4	-	1,551	1,587
Early Intervention	1,402	-	-	-	-	-	1,402	1,682
Prevention of Family Violence	937	-	-	-	-	-	937	1,071
Inter-Authority Services	1,098	-	-	-	-	-	1,098	421
	<u>\$ 18,309</u>	<u>\$ 784</u>	<u>\$ 287</u>	<u>\$ 32</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 19,493</u>	<u>\$ 17,806</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative services provided by the Regional Service Center (Alberta Corporate Service Centre), and and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Region 13

Child and Family Services Authority Region 13

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Child and Family Services Authority Region 13 and the Minister of Children's Services

I have audited the statement of financial position of the Child and Family Services Authority Region 13 as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Child and Family Services Authority Region 13

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 15,237	\$ 14,936	\$ 14,409
Recoveries - Resident on Reserve	120	233	251
Recoveries - Inter-Authority Services	75	297	101
Miscellaneous Revenue	-	60	170
	<u>15,432</u>	<u>15,526</u>	<u>14,931</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	580	558	491
Program Support Services (Note 3)	1,335	1,610	798
Services to Children and Families:			
Child Welfare	8,592	8,432	7,574
Children with Disabilities	1,687	1,364	1,460
Day Care	1,770	1,547	1,639
Early Intervention	794	798	713
Prevention of Family Violence	599	734	702
Inter-Authority Services	75	297	101
Valuation Adjustments:			
Vacation Pay (Note 2)	-	81	40
	<u>15,432</u>	<u>15,421</u>	<u>13,518</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 105</u>	<u>\$ 1,413</u>

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



Child and Family Services Authority Region 13

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 1,006	\$ 408
Accounts Receivable (Note 5)	437	780
Advances	3	7
	<u>\$ 1,446</u>	<u>\$ 1,195</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ -</u>	<u>\$ 726</u>
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	469	(944)
Net Operating Results	<u>105</u>	<u>1,413</u>
Net Assets at End of Year	<u>574</u>	<u>469</u>
	<u>\$ 1,446</u>	<u>\$ 1,195</u>

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



Child and Family Services Authority Region 13

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 105	\$ 1,413
Non-Cash Items		
Valuation Adjustments	81	40
	186	1,453
Decrease (Increase) in Accounts Receivable	343	(501)
Decrease (Increase) in Advances	4	(6)
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	65	(538)
Cash Provided by Operating Transactions	598	408
Cash, Beginning of Year	408	-
Cash, End of Year	<u>\$ 1,006</u>	<u>\$ 408</u>

(a) Adjusted for valuation adjustment.

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



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The Child and Family Services Authority Region 13 (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Child and Family Services Authority Region 13, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



Notes to the Financial Statements

For the year ended March 31, 2002

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

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivables, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$15,432 on March 22, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$872 in these financial statements are subject to measurement uncertainty. The actual amount could vary significantly from that estimated. These accruals have been estimated on prior months' averages.

Accounts receivable recorded as \$437 in these financial statements are subject to measurement uncertainty. The actual amount could vary significantly from that estimated. These accruals have been estimated on prior months' averages.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$435 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$435. Net assets at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 15,237
Reduction in funding provided for the current year	(301)
Grant for the Year	<u>\$ 14,936</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 380	\$ 378
Child and Family Services Authorities	57	82
Surplus Retention	-	320
	<u>\$ 437</u>	<u>\$ 780</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties such as the Child and Family Services Authorities and transactions with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 68	\$ 115
Accrued Vacation Pay	325	244
Trade Payable	479	367
	<u>\$ 872</u>	<u>\$ 726</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Service contracts	\$ 2,203	\$ 1,075
Long-term leases ^(a)	215	189
	<u>\$ 2,418</u>	<u>\$ 1,264</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	96
2004	\$	60
2005	\$	33
2006	\$	19
2007	\$	7

NOTE 8 SUBSEQUENT EVENT

The Ministry has decided to change the boundary of the Authority effective April 1, 2002. The effect on the 2002-2003 budget has not been determined.

NOTE 9 VOLUNTARY CONTRIBUTIONS

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

NOTE 10 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Child and Family Services Authority Region 13

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 3,086	\$ 3,905	\$ 3,159
Supplies and services (Note 3)	10,728	9,726	8,730
Grants	1,543	1,453	1,488
Inter-Authority Services	75	297	101
Other	-	81	40
	<u>15,432</u>	<u>15,462</u>	<u>13,518</u>
Less: Recovery from Alberta Human Resources and Employment	-	(41)	-
	<u>\$ 15,432</u>	<u>\$ 15,421</u>	<u>\$ 13,518</u>

- (a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$13,000 (2001 - \$25,000) in accrued achievement bonuses for management and non-union staff.



Child and Family Services Authority Region 13

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority ⁽³⁾	\$ 22	\$ -	\$ 22	\$ 23
Co-Chair of the Authority	\$ 17	\$ -	\$ 17	\$ 1
Board Members (11 members)	\$ 56	\$ -	\$ 56	\$ 67
Chief Executive Officer	\$ 83	\$ 14	\$ 97	\$ 105

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The position was occupied by two individuals during the year.



Child and Family Services Authority Region 13

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 14,936	\$ 14,579	\$ -	\$ -
Recoveries - Resident on Reserve	233	251	-	-
Recoveries - Inter-Authority Services	297	101	-	-
Recoveries - Prior Year (Department of Children's Services and other Authorities)	60	170	-	-
	<u>\$ 15,526</u>	<u>\$ 14,931</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 300	\$ 411	\$ -	\$ -
Department of Children's Services	435	-	-	-
	<u>\$ 735</u>	<u>\$ 411</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 380	\$ 378	\$ -	\$ -
Hearthstone Child and Family Services Authority	(1)	-	-	-
Diamond Willow Child and Family Services Authority	-	5	-	-
West Yellowhead Child and Family Services Authority	2	-	-	-
Ma'mowe Capital Region Child and Family Services Authority	9	(67)	-	-
Sakaw-Askiy Child and Family Services Authority	-	3	-	-
Region 14 Child and Family Services Authority	18	(1)	-	-
Neegan Awasak Child and Family Services Authority	(39)	(5)	-	-
Awas'sak Child and Family Services Authority	-	24	-	-
Silver Birch Child and Family Services Authority	-	7	-	-
Metis Settlements Child and Family Services Authority	-	1	-	-
	<u>\$ 369</u>	<u>\$ 345</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 538	\$ 606
Administrative	184	168
Legal Services	3	40
	<u>\$ 725</u>	<u>\$ 814</u>



Child and Family Services Authority Region 13

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)								
	2002							2001	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			Total	Total
	Expenses ⁽¹⁾	Costs ⁽²⁾	Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Expenses	Expenses (Restated)	
Program Support	\$ 2,168	\$ 179	\$ 184	\$ -	\$ 27	\$ -	\$ 2,558	\$ 1,642	
Child Welfare	8,432	332	-	3	50	-	8,817	8,029	
Children with Disabilities	1,364	27	-	-	4	-	1,395	1,492	
Day Care	1,547	-	-	-	-	-	1,547	1,653	
Early Intervention	798	-	-	-	-	-	798	713	
Prevention of Family Violence	734	-	-	-	-	-	734	702	
Inter-Authority Services	297	-	-	-	-	-	297	101	
	<u>\$ 15,340</u>	<u>\$ 538</u>	<u>\$ 184</u>	<u>\$ 3</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 16,146</u>	<u>\$ 14,332</u>	

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Region 14

Region 14 Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Expenses Detailed by Object
Schedule of Disclosure of Salary and Benefits
Schedule of Related Party Transactions
Schedule of Allocated Costs

Auditor's Report

To the Members of the Region 14 Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Region 14 Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Region 14 Child and Family Services Authority

Statement of Operations

For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 4,132	\$ 4,182	\$ 3,710
Recoveries - Resident on Reserve	175	232	191
Recoveries - Inter-Authority Services	56	66	50
Miscellaneous Revenue	-	31	74
	<u>4,363</u>	<u>4,511</u>	<u>4,025</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	360	343	339
Program Support Services (Note 3)	387	439	314
Services to Children and Families:			
Child Welfare	1,975	2,274	1,933
Children with Disabilities	363	263	285
Day Care	361	368	347
Early Intervention	531	388	478
Prevention of Family Violence	330	322	367
Inter-Authority Services	56	66	50
Valuation Adjustments:			
Vacation Pay (Note 2)	-	1	2
	<u>4,363</u>	<u>4,464</u>	<u>4,115</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ (90)</u>

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



Region 14 Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 104	\$ 167
Accounts Receivable (Note 5)	202	194
Advances	1	2
	<u>\$ 307</u>	<u>\$ 363</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 255</u>	<u>\$ 358</u>
Net Assets		
Net Assets at Beginning of Year	5	95
Net Operating Results	47	(90)
Net Assets at End of Year	<u>52</u>	<u>5</u>
	<u>\$ 307</u>	<u>\$ 363</u>

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



Region 14 Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Operating Transactions		
Net Operating Results	\$ 47	\$ (90)
Non-Cash Items		
Valuation Adjustments	<u>1</u>	<u>2</u>
	48	(88)
Decrease (Increase) in Accounts Receivable	(8)	219
Decrease (Increase) in Advances	1	(1)
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	<u>(104)</u>	<u>37</u>
Cash Provided (Used) by Operating Transactions	<u>(63)</u>	<u>167</u>
Cash, Beginning of Year	167	-
Cash, End of Year	<u>\$ 104</u>	<u>\$ 167</u>

(a) Adjusted for valuation adjustment.

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



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The Region 14 Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Region 14 Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



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

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash, accounts receivables, and advances are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$4,363 on February 11, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$255 in these financial statements are subject to measurement uncertainty. The actual amount could vary significantly from that estimated. These accruals have been estimated on prior months' averages.

Accounts receivable recorded as \$202 in these financial statements is subject to measurement uncertainty. The actual amount could vary significantly from that estimated. These accruals have been estimated on prior months' averages.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$157 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$157. Net assets at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 4,132
Increase in funding provided for the current year	50
Grant for the Year	<u>\$ 4,182</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 129	\$ 150
Child and Family Services Authorities	7	9
Refunds from Suppliers	-	28
Expense Recovery from Alberta Health and Wellness	63	-
Other	3	7
	<u>\$ 202</u>	<u>\$ 194</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties such as Child and Family Services Authorities and transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 65	\$ 24
Accrued Vacation Pay	101	102
Trade Payable	89	232
	<u>\$ 255</u>	<u>\$ 358</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Service contracts	\$ 45	\$ 752
Long-term leases ^(a)	92	45
	<u>\$ 137</u>	<u>\$ 797</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	25
2004	\$	20
2005	\$	19
2006	\$	17
2007	\$	11

NOTE 8 SUBSEQUENT EVENT

The Ministry has decided to change the boundary of the Authority effective April 1, 2002. The effect on the 2002-2003 budget has not been determined.

NOTE 9 VOLUNTARY CONTRIBUTIONS

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

NOTE 10 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 11 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Region 14 Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 873	\$ 1,217	\$ 1,065
Supplies and services (Note 3)	3,054	2,947	2,654
Grants	436	308	344
Inter-Authority Services	-	66	50
Other	-	1	2
	4,363	4,539	4,115
Less: Recovery from Alberta Health and Wellness	-	(63)	-
Recovery from Alberta Human Resources and Employment	-	(12)	-
	\$ 4,363	\$ 4,464	\$ 4,115

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$6,000 (2001 - \$12,000) in accrued achievement bonuses for management and non-union staff.



Region 14 Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority ⁽³⁾	\$ 33	\$ -	\$ 33	\$ 29
Co-Chair of the Authority ⁽³⁾	\$ 24	\$ -	\$ 24	\$ -
Board Members (9 members)	\$ 55	\$ -	\$ 55	\$ 52
Chief Executive Officer	\$ 85	\$ 14	\$ 99	\$ 90

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only. Benefits and Allowances include the employer's share of all employee benefits and contributions
- (2) or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) There was only one Co-chair for 2001 as one of the previous Co-chairs resigned on October 1, 1999 and no one was appointed to replace her until September 1, 2001.



Region 14 Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 4,182	\$ 3,710	\$ -	\$ -
Recoveries - Resident on Reserve	232	191	-	-
Recoveries - Inter-Authority Services	66	50	-	-
	<u>\$ 4,480</u>	<u>\$ 3,951</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 294	\$ 113	\$ -	\$ -
Department of Children's Services	157	-	-	-
	<u>\$ 451</u>	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 129	\$ 150	\$ -	\$ -
Calgary Rocky View Child and Family Services Authority	-	(1)	-	-
Diamond Willow Child and Family Services Authority	-	(2)	-	-
Ribstone Child and Family Services Authority	-	(1)	-	-
Sakaw-Askiy Child and Family Services Authority	-	(18)	-	-
Child and Family Services Authority Region 13	(18)	1	-	-
Neegan Awas'sak Child and Family Services Authority	(41)	2	-	-
Awasak Child and Family Services Authority	-	1	-	-
Silver Birch Child and Family Services Authority	-	3	-	-
Metis Settlements Child and Family Services Authority	1	-	-	-
	<u>\$ 71</u>	<u>\$ 135</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional)		
Accommodation	\$ 419	\$ 755
Administrative	161	147
Legal Services	-	10
	<u>\$ 580</u>	<u>\$ 912</u>



Region 14 Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

(In thousands)

Program	2002						2001	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 782	\$ 122	\$ 161	\$ -	\$ -	\$ -	\$ 1,065	\$ 995
Child Welfare	2,274	245	-	-	1	-	2,520	2,465
Children with Disabilities	263	17	-	-	-	-	280	300
Day Care	368	35	-	-	-	-	403	372
Early Intervention	388	-	-	-	-	-	388	478
Prevention of Family Violence	322	-	-	-	-	-	322	367
Inter-Authority Services	66	-	-	-	-	-	66	50
	<u>\$ 4,463</u>	<u>\$ 419</u>	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 5,044</u>	<u>\$ 5,027</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Neegan

Neegan Awas'sak Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report
Statement of Operations
Statement of Financial Position
Statement of Changes in Financial Position
Notes to the Financial Statements
Schedule of Expenses Detailed by Object
Schedule of Disclosure of Salary and Benefits
Schedule of Related Party Transactions
Schedule of Allocated Costs

Auditor's Report

To the Members of the Neegan Awas'sak Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Neegan Awas'sak Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Neegan Awas'sak Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 8,037	\$ 7,632	\$ 6,650
Recoveries - Resident on Reserve	151	257	349
Recoveries - Inter-Authority Services	1,434	813	947
Miscellaneous Revenue	-	68	35
	<u>9,622</u>	<u>8,770</u>	<u>7,981</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	360	280	284
Program Support Services (Note 3)	396	308	102
Services to Children and Families:			
Child Welfare	5,339	5,335	5,223
Children with Disabilities	387	558	444
Day Care	758	605	726
Early Intervention	631	519	565
Prevention of Family Violence	317	167	178
Inter-Authority Services	1,434	813	947
Valuation Adjustments:			
Vacation Pay (Note 2)	-	19	21
	<u>9,622</u>	<u>8,604</u>	<u>8,490</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 166</u>	<u>\$ (509)</u>

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



Neegan Awas'sak Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 174	\$ 411
Accounts Receivable (Note 5)	614	882
	<u>\$ 788</u>	<u>\$ 1,293</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 465	\$ 1,136
Net Assets		
Net Assets at Beginning of Year	157	666
Net Operating Results	166	(509)
Net Assets at End of Year	<u>323</u>	<u>157</u>
	<u>\$ 788</u>	<u>\$ 1,293</u>

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



Neegan Awas'sak Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 166	\$ (509)
Non-Cash Items		
Valuation Adjustments	19	21
	185	(488)
Decrease in Accounts Receivable	268	690
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(690)	209
Cash Provided (Used) by Operating Transactions	(237)	411
Cash, Beginning of Year	411	-
Cash, End of Year	\$ 174	\$ 411

(a) Adjusted for valuation adjustment.

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



Neegan Awas'sak Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 1 AUTHORITY AND PURPOSE

The Neegan Awas'sak Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Neegan Awas'sak Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



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

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivable are recorded at carrying values, which approximate fair values.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The authority approved the budget of \$9,622 on April 6, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$614 and \$465 respectively in these financial statements are subject to measurement uncertainty as there may be a significant variance in the estimate of outstanding accruals. These accruals have been estimated on prior months' averages.



Neegan Awas'sak Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$303 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$303. Net assets at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 8,037
Reduction in funding provided for the current year	(463)
Additional funding provided to eliminate the current year deficit	58
Grant for the Year	<u>\$ 7,632</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 297	\$ 346
Child and Family Services Authorities	108	509
Expense Recovery from Alberta Health and Wellness	204	-
Other	5	27
	<u>\$ 614</u>	<u>\$ 882</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ -	\$ 430
Child and Family Services Authorities	18	139
Accrued Vacation Pay	249	250
Trade Payable and other	198	317
Total	<u>\$ 465</u>	<u>\$ 1,136</u>



Neegan Awas'sak Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Service contracts	\$ 1,313	\$ 2,361
Long-term leases ^(a)	195	230
	<u>\$ 1,508</u>	<u>\$ 2,591</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	116
2004	\$	50
2005	\$	24
2006	\$	5

NOTE 8 VOLUNTARY CONTRIBUTIONS

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

NOTE 9 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Neegan Awas'sak Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 1,924	\$ 3,507	\$ 3,168
Supplies and services (Note 3)	5,302	4,089	3,812
Grants	962	392	542
Inter-Authority Services	1,434	813	947
Other	-	19	21
	<u>9,622</u>	<u>8,820</u>	<u>8,490</u>
Less: Recovery from Alberta Health and Wellness	-	(204)	-
Recovery from Alberta Human Resources and Employment	-	(12)	-
	<u>\$ 9,622</u>	<u>\$ 8,604</u>	<u>\$ 8,490</u>

- (a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$11,000 (2001 - \$21,000) in accrued achievement bonuses for management and non-union staff.



Neegan Awas'sak Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority	\$ 17	\$ -	\$ 17	\$ 8
Co-Chair of the Authority ⁽³⁾	\$ 12	\$ -	\$ 12	\$ 9
Board Members (7 members)	\$ 40	\$ -	\$ 40	\$ 33
Chief Executive Officer	\$ 90	\$ 15	\$ 105	\$ 104

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The position was occupied by two individuals during the year.



Neegan Awas'sak Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 7,632	\$ 6,650	\$ -	\$ -
Recoveries - Resident on Reserve	257	349	-	-
Recoveries - Inter-Authority Services	813	947	-	-
	<u>\$ 8,702</u>	<u>\$ 7,946</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 133	\$ 110	\$ -	\$ -
Department of Children's Services	303	-	-	-
	<u>\$ 436</u>	<u>\$ 110</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 297	\$ (84)	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	(2)
Ribstone Child and Family Services Authority	-	(1)	-	-
Keystone Child and Family Services Authority	-	(35)	-	-
Ma'mowe Capital Region Child and Family Services Authority	(2)	(5)	-	-
Sakaw-Askiy Child and Family Services Authority	-	264	-	-
Sakaigun Asky Child and Family Services Authority	-	105	-	-
Child and Family Services Authority Region 13	38	(10)	-	-
Region 14 Child and Family Services Authority	41	(2)	-	-
Awesak Child and Family Services Authority	-	(1)	-	-
Silver Birch Child and Family Services Authority	-	57	-	-
Metis Settlements Child and Family Services Authority	13	-	-	-
	<u>\$ 387</u>	<u>\$ 288</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 503	\$ 359
Administrative	183	167
Legal Services	4	27
	<u>\$ 690</u>	<u>\$ 553</u>



Neegan Awas'sak Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)								
	2002							2001	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			Total Expenses	Total Expenses (Restated)
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts			
Program Support	\$ 588	\$ 23	\$ 183	\$ -	\$ 1	\$ -	\$ 795	\$ 572	
Child Welfare	5,335	433	-	4	17	-	5,789	5,572	
Children with Disabilities	558	31	-	-	1	-	590	463	
Day Care	605	8	-	-	-	-	613	736	
Early Intervention	519	8	-	-	-	-	527	565	
Prevention of Family Violence	167	-	-	-	-	-	167	181	
Inter-Authority Services	813	-	-	-	-	-	813	947	
	<u>\$ 8,585</u>	<u>\$ 503</u>	<u>\$ 183</u>	<u>\$ 4</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 9,294</u>	<u>\$ 9,036</u>	

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Awasak

Awasak Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Awasak Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Awasak Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Awasaq Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 8,639	\$ 8,573	\$ 6,799
Recoveries - Resident on Reserve	30	561	470
Recoveries - Inter-Authority Services	104	65	323
Miscellaneous Revenue (Note 7)	181	392	248
	<u>8,954</u>	<u>9,591</u>	<u>7,840</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	360	265	337
Program Support Services (Note 3)	604	696	325
Services to Children and Families:			
Child Welfare	5,380	6,228	5,409
Children with Disabilities	1,108	1,011	960
Day Care	348	316	330
Early Intervention	661	451	522
Prevention of Family Violence	389	363	394
Inter-Authority Services	104	65	323
Valuation Adjustments:			
Vacation Pay (Note 2)	-	44	(74)
	<u>8,954</u>	<u>9,439</u>	<u>8,526</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 152</u>	<u>\$ (686)</u>

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



Awasaq Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	2002	2001
Assets		
Cash	\$ 570	\$ 240
Accounts Receivable (Note 5)	360	576
	\$ 930	\$ 816
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 794	\$ 815
Unearned Revenue	-	17
	794	832
Net Assets (Liabilities)		
Net Assets (Liabilities) at Beginning of Year	(16)	670
Net Operating Results	152	(686)
Net Assets (Liabilities) at End of Year	136	(16)
	\$ 930	\$ 816

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



Awasaak Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 152	\$ (686)
Non-Cash Items		
Valuation Adjustments	44	(74)
	196	(760)
Decrease in Accounts Receivable	216	746
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(65)	237
Increase (Decrease) in Unearned Revenue	(17)	17
Cash Provided by Operating Transactions	329	240
Cash, Beginning of Year	240	-
Cash, End of Year	\$ 570	\$ 240

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Awasak Child and Family Services Authority operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. With the exception of the Chief Executive Officer 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Awasak Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (cont'd.)

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for the Chief Executive Officer and for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivable are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the draft Business Plan of \$8,954 on February 14, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

Accounts payable and accrued liabilities recorded as \$794 in these financial statements is subject to measurement uncertainty. Accruals have been estimated using vendor-based information of prior billing periods and invoices received during the accrual period to March 31, 2002. The actual amount could vary significantly from that estimated.



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$273 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$273. Net assets (liabilities) at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 8,639
Reduction in funding for current	(82)
Additional funding provided to eliminate prior year deficit	16
Grant for the Year	\$ 8,573

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	2002	2001
Department of Children's Services	\$ 192	\$ 453
Child and Family Services Authorities	43	123
Refunds from Suppliers	125	-
	\$ 360	\$ 576



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	2002	2001
Department of Children's Services	\$ 23	\$ 38
Child and Family Services Authorities	312	27
Accrued Vacation Pay	167	113
Trade Payable	292	637
	\$ 794	\$ 815

NOTE 7 MISCELLANEOUS REVENUE

Miscellaneous revenue includes the following:

	(In thousands)	
	2002	2001
Donations	\$ -	\$ 1
Recoveries of costs incurred under agreements (Note 9)	314	247
Other miscellaneous revenue	78	-
	\$ 392	\$ 248

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	2002	2001
		(Restated)
Long-term leases ^(a)	\$ 60	\$ 75

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2007. The aggregate amounts payable for the unexpired terms of these leases are as follows:

(In thousands)	
2003	\$ 22
2004	\$ 16
2005	\$ 14
2006	\$ 4
2007	\$ 4



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 9 THIRD PARTY AGREEMENT (In thousands)

In partnership with Wood Buffalo Student Health Partnership, through the Fort McMurray School Board Division 2833, the Authority has entered into an agreement to deliver services in the Fort McMurray area in Alberta. The Fort McMurray School Board Division 2833 covers all costs incurred under this agreement, and any surplus is returned to that Department.

The revenues and expenses of \$275 (2001 \$264) and the resulting account receivable \$38 and accounts payable of \$3 (2001 \$1), are included in the financial statements.

In partnership with Human Resources and Employment, the Conklin Employment Service Centre, and the Authority has entered into an agreement to deliver services on the Conklin Settlements in Alberta. Human Resources and Employment cover all costs incurred under this agreement, and any surplus is returned to Human Resources and Employment.

The revenues and expenses of \$39 (2001 \$-) and the resulting account receivable of \$7 (2001 \$-), are included in the financial statements.

NOTE 10 VOLUNTARY CONTRIBUTIONS

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

NOTE 11 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Awasaak Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 1,791	\$ 2,142	\$ 2,344
Supplies and services (Note 3)	6,268	6,985	5,635
Grants	895	261	298
Inter-Authority Services	-	65	323
Other	-	44	(74)
	8,954	9,497	8,526
Less: Recovery from Alberta Human Resources and Employment	-	(2)	-
Recovery from Alberta Health and Wellness	-	(56)	-
	\$ 8,954	\$ 9,439	\$ 8,526

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$8,000 (2001 - \$17,000) in achievement bonuses for management and non-union staff.



Awasak Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			2001 Total
	2002 Salary ⁽¹⁾	2002 Benefits and Allowances ⁽²⁾	2002 Total	
Co-Chair of the Authority	\$ 7	\$ -	\$ 7	\$ 6
Co-Chair of the Authority	\$ 1	\$ -	\$ 1	\$ 2
Board Members (7 members)	\$ 10	\$ -	\$ 10	\$ 21
Chief Executive Officer	\$ 108	\$ 19	\$ 127	\$ 117

(1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.

(2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Awasaak Child and Family Services Authority

Related Party Transactions For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001 (Restated)	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 8,573	\$ 6,799	\$ -	\$ -
Recoveries - Resident on Reserve	561	470	-	-
Recoveries - Inter-Authority Services	65	323	-	-
	<u>\$ 9,199</u>	<u>\$ 7,592</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 813	\$ 71	\$ -	\$ -
Department of Children's Services	273	-	-	-
	<u>\$ 1,086</u>	<u>\$ 71</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 169	\$ 415	\$ -	\$ -
Ma'mowe Capital Region Child and Family Services Authority	(20)	-	-	-
Sakaw-Askiy Child and Family Services Authority	(7)	55	-	-
West Yellowhead Child and Family Services Authority	1	-	-	-
Sakaigun Asky Child and Family Services Authority	(243)	39	-	-
Metis Settlements Child and Family Services Authority	-	2	-	-
	<u>\$ (100)</u>	<u>\$ 511</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 249	\$ 158
Administrative	207	189
Legal Services	1	28
	<u>\$ 457</u>	<u>\$ 375</u>



Awasaak Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 961	\$ 52	\$ 207	\$ -	\$ 9	\$ -	\$ 1,229	\$ 1,029
Child Welfare	6,228	168	-	1	30	-	6,427	5,500
Children with Disabilities	1,011	17	-	-	3	-	1,031	964
Day Care	316	6	-	-	1	-	323	331
Early Intervention	451	6	-	-	1	-	458	522
Prevention of Family Violence	363	-	-	-	-	-	363	394
Inter-Authority Services	65	-	-	-	-	-	65	323
	<u>\$ 9,395</u>	<u>\$ 249</u>	<u>\$ 207</u>	<u>\$ 1</u>	<u>\$ 44</u>	<u>\$ -</u>	<u>\$ 9,896</u>	<u>\$ 9,063</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated in proportion to the expenses incurred by each program.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision -value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Silver Birch

Silver Birch Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Silver Birch Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Silver Birch Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Surplus amounts recoverable from contracted agencies at March 31, 2001 were not recorded in the prior year. The amounts subsequently recovered were recorded as reductions of expense in the current year. If the Authority had recorded the surplus amounts in accordance with Canadian generally accepted accounting principles, expenses for the year ended March 31, 2002 would have been increased by \$111,000 (2001-decreased by \$111,000) and assets and net assets at March 31, 2001 would have been increased by \$111,000.

In my opinion, except for the effect of the matter referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Silver Birch Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 4,394	\$ 3,912	\$ 2,834
Recoveries - Resident on Reserve	166	130	127
Recoveries - Inter-Authority Services	1	2	5
Miscellaneous Revenue	-	18	-
	<u>4,561</u>	<u>4,062</u>	<u>2,966</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	360	289	381
Program Support Services (Note 3)	552	607	306
Services to Children and Families:			
Child Welfare	1,662	1,089	1,001
Children with Disabilities	462	595	379
Day Care	251	171	205
Early Intervention	929	754	885
Prevention of Family Violence	344	379	349
Inter-Authority Services	1	2	5
Valuation Adjustments:			
Vacation Pay (Note 2)	-	35	-
	<u>4,561</u>	<u>3,921</u>	<u>3,511</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 141</u>	<u>\$ (545)</u>

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



Silver Birch Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 359	\$ 779
Accounts Receivable (Note 5)	90	113
	<u>\$ 449</u>	<u>\$ 892</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 243	\$ 827
Net Assets		
Net Assets at Beginning of Year	65	610
Net Operating Results	141	(545)
Net Assets at End of Year	<u>206</u>	<u>65</u>
	<u>\$ 449</u>	<u>\$ 892</u>

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



Silver Birch Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 141	\$ (545)
Non-Cash Items		
Valuation Adjustments	35	-
	176	(545)
Decrease in Accounts Receivable	23	790
Decrease in Advances	-	1
Increase (Decrease) in Accounts Payable and Accrued Liabilities ^(a)	(619)	533
Cash Provided (Used) by Operating Transactions	(420)	1,324
Cash, Beginning of Year	779	-
Cash, End of Year	\$ 359	\$ 779

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Silver Birch Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Silver Birch Child and Family Services Authority which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, on behalf of children meeting the definition of ordinarily resident on reserves.

Expenses

Directly Incurred

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



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

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivable are recorded at carrying values which approximate fair values due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$4,561 on February 24, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be a significant variance between the amount recognized in the financial statements and another possible amount.

The accounts receivable and accounts payable and accrued liabilities recorded as \$90 and \$243 respectively in these financial statements are subject to measurement uncertainty as there may be a significant variance in the estimate of outstanding accruals. These accruals have been estimated on prior months' averages.



Silver Birch Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$137 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$137. Net assets at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 4,394
Reduction in funding provided for the current year	(482)
Grant for the Year	<u>\$ 3,912</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of related party transactions with the Department of Children's Services.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 90	\$ 97
Child and Family Services Authorities	-	16
	<u>\$ 90</u>	<u>\$ 113</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with related parties including the Department of Children's Services and other Child and Family Services Authorities and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ -	\$ 496
Accrued Vacation Pay	82	35
Trade Payable	160	205
Child and Family Services Authorities	1	91
	<u>\$ 243</u>	<u>\$ 827</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Service contracts	\$ 46	\$ 368
Long-term leases ^(a)	115	112
	<u>\$ 161</u>	<u>\$ 480</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2006. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	47
2004	\$	41
2005	\$	24
2006	\$	3

NOTE 8 VOLUNTARY CONTRIBUTIONS

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

NOTE 9 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 10 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Silver Birch Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Manpower ^(a)	\$ 912	\$ 1,329	\$ 976
Supplies and services (Note 3)	3,192	2,432	2,388
Grants	456	123	142
Inter-Authority Services	1	2	5
Other	-	35	-
	<u>\$ 4,561</u>	<u>\$ 3,921</u>	<u>\$ 3,511</u>

- (a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$8,000 (2001 - \$6,000) in accrued achievement bonuses for management and non-union staff.



Silver Birch Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Co-Chair of the Authority	\$ 11	\$ -	\$ 11	\$ 10
Co-Chair of the Authority ⁽³⁾	\$ 8	\$ -	\$ 8	\$ 15
Board Members (7 members)	\$ 34	\$ -	\$ 34	\$ 53
Chief Executive Officer	\$ 82	\$ 4	\$ 86	\$ 94

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.
- (3) The position was occupied by two individuals during the year.



Silver Birch Child and Family Services Authority

Related Party Transactions

For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 3,912	\$ 2,834	\$ -	\$ -
Recoveries - Resident on Reserve	130	127	-	-
Recoveries - Inter-Authority Services	2	5	-	-
	<u>\$ 4,044</u>	<u>\$ 2,966</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Inter-Authority Services Received	\$ 211	\$ 141	\$ -	\$ -
Department of Children's Services	137	-	-	-
	<u>\$ 48</u>	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 90	\$ (399)	\$ -	\$ -
Hearthstone Child and Family Services Authority	-	2	-	-
West Yellowhead Child and Family Services Authority	-	1	-	-
Ma'mowe Capital Region Child and Family Services Authority	(1)	(10)	-	-
Child and Family Services Authority Region 13	-	(8)	-	-
Region 14 Child and Family Services Authority	-	(3)	-	-
Neegan Awas'sak Child and Family Services Authority	-	(57)	-	-
	<u>\$ 89</u>	<u>\$ (474)</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 831	\$ 221
Administrative	149	136
Legal Services	1	5
	<u>\$ 981</u>	<u>\$ 362</u>



Silver Birch Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							Total Expenses (Restated)
	2002						2001	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾		Total Expenses	
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 896	\$ 277	\$ 149	\$ -	\$ 12	\$ -	\$ 1,334	\$ 895
Child Welfare	1,089	346	-	1	15	-	1,451	1,103
Children with Disabilities	595	138	-	-	6	-	739	405
Day Care	171	35	-	-	1	-	207	216
Early Intervention	754	35	-	-	1	-	790	900
Prevention of Family Violence	379	-	-	-	-	-	379	349
Inter-Authority Services	2	-	-	-	-	-	2	5
	<u>\$ 3,886</u>	<u>\$ 831</u>	<u>\$ 149</u>	<u>\$ 1</u>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ 4,902</u>	<u>\$ 3,873</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources, administrative and information technology services provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.





Métis Settlements

Métis Settlements Child and Family Services Authority

Financial Statements

For the year ended March 31, 2002

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Disclosure of Salary and Benefits

Schedule of Related Party Transactions

Schedule of Allocated Costs

Auditor's Report

To the Members of the Metis Settlements Child and Family Services Authority and the Minister of Children's Services

I have audited the statement of financial position of the Metis Settlements Child and Family Services Authority as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

(Original Signed by Fred J. Dunn)

CA
Auditor General

Edmonton, Alberta
May 23, 2002



Metis Settlements Child and Family Services Authority

Statement of Operations For the year ended March 31, 2002

	(In thousands)		
	2002		2001
	Budget	Actual	Actual
Revenues			
Grant from the Department of Children's Services (Note 4)	\$ 3,984	\$ 4,123	\$ 3,323
Miscellaneous Revenue (Note 7)	276	303	211
	<u>4,260</u>	<u>4,426</u>	<u>3,534</u>
Expenses (Schedules 1 and 4)			
Program Support:			
Board Governance	424	340	377
Program Support Services (Note 3)	296	412	199
Services to Children and Families:			
Child Welfare	2,402	2,695	2,225
Children with Disabilities	95	108	55
Day Care	41	41	33
Early Intervention	914	684	850
Prevention of Family Violence	88	98	80
Valuation Adjustments:			
Vacation Pay (Note 2)	-	3	23
	<u>4,260</u>	<u>4,381</u>	<u>3,842</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ (308)</u>

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



Metis Settlements Child and Family Services Authority

Statement of Financial Position

As at March 31, 2002

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 243	\$ 322
Accounts Receivable (Note 5)	145	87
Advances	-	2
	<u>\$ 388</u>	<u>\$ 411</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 332</u>	<u>\$ 400</u>
	<u>332</u>	<u>400</u>
Net Assets		
Net Assets at Beginning of Year	11	319
Net Operating Results	<u>45</u>	<u>(308)</u>
Net Assets at End of Year	<u>56</u>	<u>11</u>
	<u>\$ 388</u>	<u>\$ 411</u>

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



Metis Settlements Child and Family Services Authority

Statement of Changes in Financial Position

For the year ended March 31, 2002

	(In thousands)	
	2002	2001
Operating Transactions		
Net Operating Results	\$ 45	\$ (308)
Non-Cash Items		
Valuation Adjustments	3	23
	48	(285)
Decrease (Increase) in Accounts Receivable	(58)	451
Decrease (Increase) in Advances	2	(1)
Decrease in Accounts Payable and Accrued Liabilities ^(a)	(71)	(44)
Cash Provided (Used) by Operating Transactions	(79)	121
Cash, Beginning of Year	322	201
Cash, End of Year	<u>\$ 243</u>	<u>\$ 322</u>

(a) Adjusted for valuation adjustment.

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



NOTE 1 AUTHORITY AND PURPOSE

The Metis Settlements Child and Family Services Authority (the Authority) operates under the authority of the Child and Family Services Authorities Act, the "Agreement Respecting the Transfer of Responsibility for Child and Family Services" effective April 1, 1999 and directions provided by the Minister of Children's Services.

The Authority is to provide 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 utilizing partnerships and sharing resources.

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children's Services has assigned certain departmental staff to the Authority. 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. In addition, the Minister has agreed to provide certain administrative services relating to finance, human resources, information technology and communications at no charge to the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with the following accounting policies that have been established by the government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board.

Reporting Entity

The reporting entity is the Metis Settlements Child and Family Services Authority, which is part of the Ministry of Children's Services.

Basis of Financial Reporting

Revenues

Revenues include the reimbursements or recoveries of costs incurred on behalf of other Authorities, and on behalf of children meeting the definition of ordinarily resident on reserves.

Monetary donations from external sources are recorded 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.



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

Directly incurred costs include:

- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from the provision for accrued vacation pay for employees assigned to the Authority by the Department of Children's Services, and
- the cost of salary, wages and employee benefits related to employees assigned by the Department of Children's Services to the Authority are included in manpower expenses. Pension costs comprise the cost of employer contributions for current service of employees during the year.

Incurring by Others

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

Assets

Cash and accounts receivable are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

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 \$100,000 and the threshold for all other capital assets is \$15,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

Accounts payable and accrued liabilities are recorded at carrying values, which approximate fair values, due to the short-term nature of these items.

Budget (In thousands)

The Authority receives its financing by way of a grant from the Department of Children's Services. The Authority is economically dependent upon the Department of Children's 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 2001-2002 Government and Lottery Fund Estimates tabled in the Legislative Assembly on May 31, 2001. The Authority approved the budget of \$4,260 on April 21, 2001.

Measurement Uncertainty (In thousands)

Measurement uncertainty exists when there could be significant variance between the amount recognized in the financial statements and another possible amount.

The accounts payable and accrued liabilities recorded as \$332 in these financial statements are subject to measurement uncertainty. The expenditures for this quarter end are based on estimates, calculated using a linear analysis of the prior year and current year expenditure trends as well as management input. The actual amount could vary significantly from that estimated.



Metis Settlements Child and Family Services Authority

Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 3 ACCOUNTING POLICY CHANGE (In thousands)

Effective April 1, 2001, the accounting policy on information technology costs changed. The cost incurred to support the Authority was recorded in the financial statements of the Department of Children's Services in 2000/2001, but is included in the Authority's financial statements for the 2001/2002 fiscal year. The reason for the change is to show the full costs of the services that the Authority provides.

This accounting policy is applied prospectively as the necessary financial data to restate the prior year is not reasonably determinable. The effect of the change is to increase the grant from the Department of Children's Services and increase the program support services expense by \$71 on the Statement of Operations. On Schedule 1, the effect of the change is to increase supplies and services by \$71. Net assets (liabilities) at the beginning of the year are not impacted by the accounting policy change as any expenses recognized are offset by an increase in the grant from the Department of Children's Services.

NOTE 4 GRANT FROM THE DEPARTMENT OF CHILDREN'S SERVICES

The grant was determined as follows:

	(In thousands)
Original budget	\$ 3,984
Additional funding provided for the current year	139
Grant for the Year	<u>\$ 4,123</u>

NOTE 5 ACCOUNTS RECEIVABLE

The accounts receivable are comprised of transactions with the Department of Children's Services and the remaining transactions are with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Department of Children's Services	\$ 104	\$ 87
Federal Justice Department	41	-
	<u>\$ 145</u>	<u>\$ 87</u>

NOTE 6 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities are comprised of transactions with Child and Family Services Authorities, which represent related parties, and transactions with external parties.

	(In thousands)	
	<u>2002</u>	<u>2001</u>
Child and Family Services Authorities	\$ 21	\$ 34
Accrued Vacation Pay	114	86
Trade Payable	197	256
Federal Justice Department	-	24
	<u>\$ 332</u>	<u>\$ 400</u>



Notes to the Financial Statements

For the year ended March 31, 2002

NOTE 7 MISCELLANEOUS REVENUE

Miscellaneous revenue includes the following:

	(In thousands)	
	2002	2001
Federal Justice Department (Note 9)	\$ 276	\$ 211
Alberta Mental Health Agreement	25	-
Other miscellaneous revenue	2	-
	<u>\$ 303</u>	<u>\$ 211</u>

NOTE 8 COMMITMENTS

As at March 31, 2002, the Authority has the following commitments:

	(In thousands)	
	2002	2001
Long-term leases ^(a)	<u>\$ 133</u>	<u>\$ 69</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2004. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	(In thousands)	
2003	\$	73
2004	\$	60

NOTE 9 THIRD PARTY AGREEMENT (In thousands)

In partnership with the Metis General Council, the Federal Justice Department, and the Provincial Justice Department, the Authority has entered into an agreement to deliver restorative and preventative Justice programs on the eight Metis Settlements in Alberta. All costs incurred under this agreement are covered by the Federal Justice Department through the Federal Aboriginal Justice Directorate and any surplus is returned to the Federal Justice Department.

The revenues and expenses of \$276 (2001 \$211) and the resulting account receivable of \$41 (2001 payable of \$24) are included in the financial statements.

NOTE 10 VOLUNTARY CONTRIBUTIONS

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

NOTE 11 COMPARATIVE FIGURES

Certain 2001 figures have been reclassified to conform to the 2002 presentation.

NOTE 12 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Authority.



Metis Settlements Child and Family Services Authority

Expenses Detailed by Object

For the year ended March 31, 2002

SCHEDULE 1

	(In thousands)		
	2002		2001
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Manpower ^(a)	\$ 852	\$ 1,407	\$ 1,168
Supplies and services (Note 3)	2,982	2,947	2,618
Grants	426	26	33
Other	-	3	23
	<u>\$ 4,260</u>	<u>\$ 4,383</u>	<u>\$ 3,842</u>
Less: Recovery from Alberta Human Resources and Employment	-	(2)	-
	<u>\$ 4,260</u>	<u>\$ 4,381</u>	<u>\$ 3,842</u>

(a) Manpower expenses include salaries, wages and employee benefits paid to employees of the Department of Children's Services, assigned to the Authority. This includes \$9,000 (2001 - \$7,000) in achievement bonuses for management and non-union staff.



Metis Settlements Child and Family Services Authority

Disclosure of Salary and Benefits

For the year ended March 31, 2002

SCHEDULE 2

	(In thousands)			
	2002			2001
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total
Chair of the Authority	\$ 16	\$ -	\$ 16	\$ 21
Board Members (5 members)	\$ 72	\$ -	\$ 72	\$ 86
Chief Executive Officer	\$ 90	\$ 14	\$ 105	\$ 110

- (1) For the Chief Executive Officer, salary includes regular base pay, bonuses, and lump sum payments. Chair persons and board members receive honoraria only.
- (2) Benefits and Allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees, including pension, health care, dental coverage, group life insurance, long and short term disability plans, professional memberships and tuition fees.



Metis Settlements Child and Family Services Authority

Related Party Transactions For the year ended March 31, 2002

SCHEDULE 3

Related parties are those entities consolidated in the Province of Alberta's financial statements. Related parties also include management in the Authority.

The Authority had the following transactions with related parties measured at the exchange amount of consideration agreed upon between the related parties:

	(In thousands)			
	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Grant from the Department of Children's Services	\$ 4,123	\$ 3,323	\$ -	\$ -
Expenses:				
Inter-Authority Services Received	\$ 265	\$ 50	\$ -	\$ -
Department of Children's Services	71	-	-	-
	<u>\$ 336</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ -</u>
Receivable from/(Payable to):				
Department of Children's Services	\$ 104	\$ 87	\$ -	\$ -
Ribstone Child and Family Services Authority	(3)	-	-	-
Sakaw-Askiy Child and Family Services Authority	-	(5)	-	-
Sakaigun Asky Child and Family Services Authority	(4)	(13)	-	-
Child and Family Services Authority Region 13	-	(1)	-	-
Region 14 Child and Family Services Authority	(1)	-	-	-
Neegan Awas'sak Child and Family Services Authority	(13)	-	-	-
Awasak Child and Family Services Authority	-	(15)	-	-
	<u>\$ 83</u>	<u>\$ 53</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 produce the service. These amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(In thousands)	
	Other Entities	
	2002	2001 (Restated)
Expenses (notional):		
Accommodation	\$ 90	\$ 58
Administrative	94	86
Legal Services	-	12
	<u>\$ 184</u>	<u>\$ 156</u>



Metis Settlements Child and Family Services Authority

Allocated Costs

For the year ended March 31, 2002

SCHEDULE 4

Program	(In thousands)							2001 Total Expenses (Restated)
	2002						Total Expenses	
	Expenses - Incurred by Others				Valuation Adjustments ⁽⁵⁾			
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administrative Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Program Support	\$ 752	\$ 7	\$ 94	\$ -	\$ -	\$ -	\$ 853	\$ 674
Child Welfare	2,695	76	-	-	3	-	2,774	2,301
Children with Disabilities	108	-	-	-	-	-	108	55
Day Care	41	-	-	-	-	-	41	33
Early Intervention	684	4	-	-	-	-	688	853
Prevention of Family Violence	98	3	-	-	-	-	101	82
Inter-Authority Services	-	-	-	-	-	-	-	-
	<u>\$ 4,378</u>	<u>\$ 90</u>	<u>\$ 94</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4,565</u>	<u>\$ 3,998</u>

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by Alberta Infrastructure, represent the CFSA's buildings costs allocated by the number of authority employees per program.
- (3) Administration costs for financial, human resources and administrative aservices provided by the Regional Service Center (Alberta Corporate Service Centre), and paid for by the Department of Children's Services. In the prior year, these costs were not included in this schedule. The comparative numbers have been restated.
- (4) Costs for Legal Services, which were paid by Alberta Justice, were allocated to the Child Welfare program since the legal services provided were in relation to proceedings under the Child Welfare Act.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay Provision - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts Provision - estimated expenses incurred by each program.



