

Alberta Children's Services



Annual Report 2007-08

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Alberta

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Public Accounts 2007-08

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 ministries.

The annual report of the Government of Alberta released June 24, 2008, contains the accountability statement, the consolidated financial statements of the province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

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

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

On March 12, 2008, the government announced new ministry names and structures. Since the 2007-08 fiscal year was substantially completed prior to this announcement, ministry annual reports and financial statements have been prepared as if the restructuring and re-naming took place on April 1, 2008, to provide proper accountability for the 2007-08 fiscal year against the original business plan. Consequently, this annual report will refer to the Ministry of Children's Services (which was the name of the Ministry until March 12, 2008), rather than the new name of Children and Youth Services.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2008, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 19, 2008 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Janis Tarchuk
Minister of Children's Services

Message from the Minister



I am pleased to present the 2007-08 Alberta Children's Services Annual Report. Over the past year, the Ministry achieved tremendous success under our three mandated priorities: helping parents access quality, affordable child care options; continuing to implement the prevention of family violence and bullying initiative; and improving outcomes for children in care or in need of specialized services, including Aboriginal children and children with disabilities.

Quality, affordable child care

Children's Services is committed to supporting quality, affordable child care options for Alberta's families. Last year, the Ministry supported the creation of thousands of new child care spaces across the province through our Space Creation Innovation Fund. We also helped the

child care sector attract and retain qualified child care professionals: the Staff Attraction Incentive Allowance helped bring 160 trained professionals back to the sector, and the Child Care Bursary allowed 178 current staff to enrol in leadership and post-secondary training. To make child care more affordable for parents, Children's Services provided child care subsidies to eligible low- and middle-income families. We also consulted with more than 1,500 Albertans to develop a new Child Care Licensing Regulation, coming Fall 2008, that will ensure safety and a high standard of care for children, while maintaining accessibility and affordability for parents.

Prevention of family violence and bullying initiatives

Thousands of Albertans are affected by family violence and bullying. In 2007-08, our Ministry continued to work with government and community partners to stem the violence and support victims. We launched a new phase of our bullying prevention campaign, *Reverse it. Be better than bullying*, which encourages children and youth to recognize and change bullying behaviour within themselves. We also provided \$3 million to 87 local projects that prevent family violence and bullying and work to protect families from violent situations. Local groups know how best to address the needs and issues within their communities and keep them safe.

Improved outcomes for children in care or in need of specialized services

Keeping children safe and protected is at the root of our business. To better protect and support children who are victims of sexual exploitation, we amended the *Protection of Children Involved in Prostitution Act* and changed its name to the *Protection of Sexually Exploited Children Act*. By giving these vulnerable children more time to complete programs and by changing the name to remove the stigma associated with prostitution, the new law makes us more responsive to their needs.

Also in 2007-08, we continued our provincial implementation of the Casework Practice Model, which we began piloting in March 2007. Under the Model, we collaborate with children, their families and their extended support networks to see what solutions will work best for their

Message from the Minister

situation. The Model focuses on early intervention, thorough assessment and collaboration with families to help them build on their strengths.

Despite our best efforts, some parents are unable to keep their children safe. When circumstances require children to be taken into care, we strive to find them a loving, permanent home as soon as possible while maintaining connections to family, community and culture. We have seen positive outcomes; for example this year alone Children's Services reported a 28 per cent increase in the number of Aboriginal children and youth for whom we could find permanent homes through adoption and private guardianship placements.

Our Ministry is extremely grateful for the dedication of Alberta's foster parents and kinship care providers. They offer welcoming homes for children and youth in transition. The reality is, we need more Albertans to open their homes to children and youth. To recruit additional foster parents and Aboriginal caregivers, we launched a provincial campaign with a new website: www.FosterCareAlberta.ca. The website connects potential caregivers to the real-life experiences of current foster families and to the information they need to help them make that vital decision to open their doors to a child.

Looking Ahead

In 2008-09, our Ministry will continue the vital work we do for Albertans by: expanding support for Aboriginals and immigrants, and improving access to existing programs for Albertans affected by family violence; supporting the creation of 14,000 new child care spaces over the next three years in a variety of settings; and providing a subsidy for low- and middle-income families with children in out-of-school care programs.

Being a parent is one of the toughest jobs in the world. From providing support to a family raising a child with a disability and helping at-risk youth to preventing family violence and bullying and increasing child care choices, we will continue to help families and communities provide safe, nurturing environments for children.

The only thing larger than our Ministry's scope is our vision: supporting strong children, youth, families and communities. Our staff and partners deal with both heartbreaking and heartwarming situations every day. What remains constant are our intentions to make a positive difference for the children and families with whom we work. I want to thank all of our staff and partners across Alberta who are helping make our communities and our province a great place to live. Your dedication is creating a brighter future for Alberta's children, youth and families.

Janis Tarchuk
Minister
September 19, 2008

Management's Responsibility for Reporting

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

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

Responsibility for the integrity and objectivity of the consolidated financial statements and performance results for the Ministry rests with the Minister of Children's Services. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

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

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

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

*Fay Orr
Deputy Minister
September 19, 2008*

Overview of the Ministry

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Operational Overview

Alberta is home to approximately 800,000¹ children under the age of 18. The Ministry of Children's Services works to protect the safety, security and well-being of our children, youth and families.

We work to help children become strong, healthy individuals, and endeavour to provide safe, nurturing environments for the province's children and youth. We also work with families, communities and other government ministries to stop abuse and break cycles of family violence.

OUR VISION

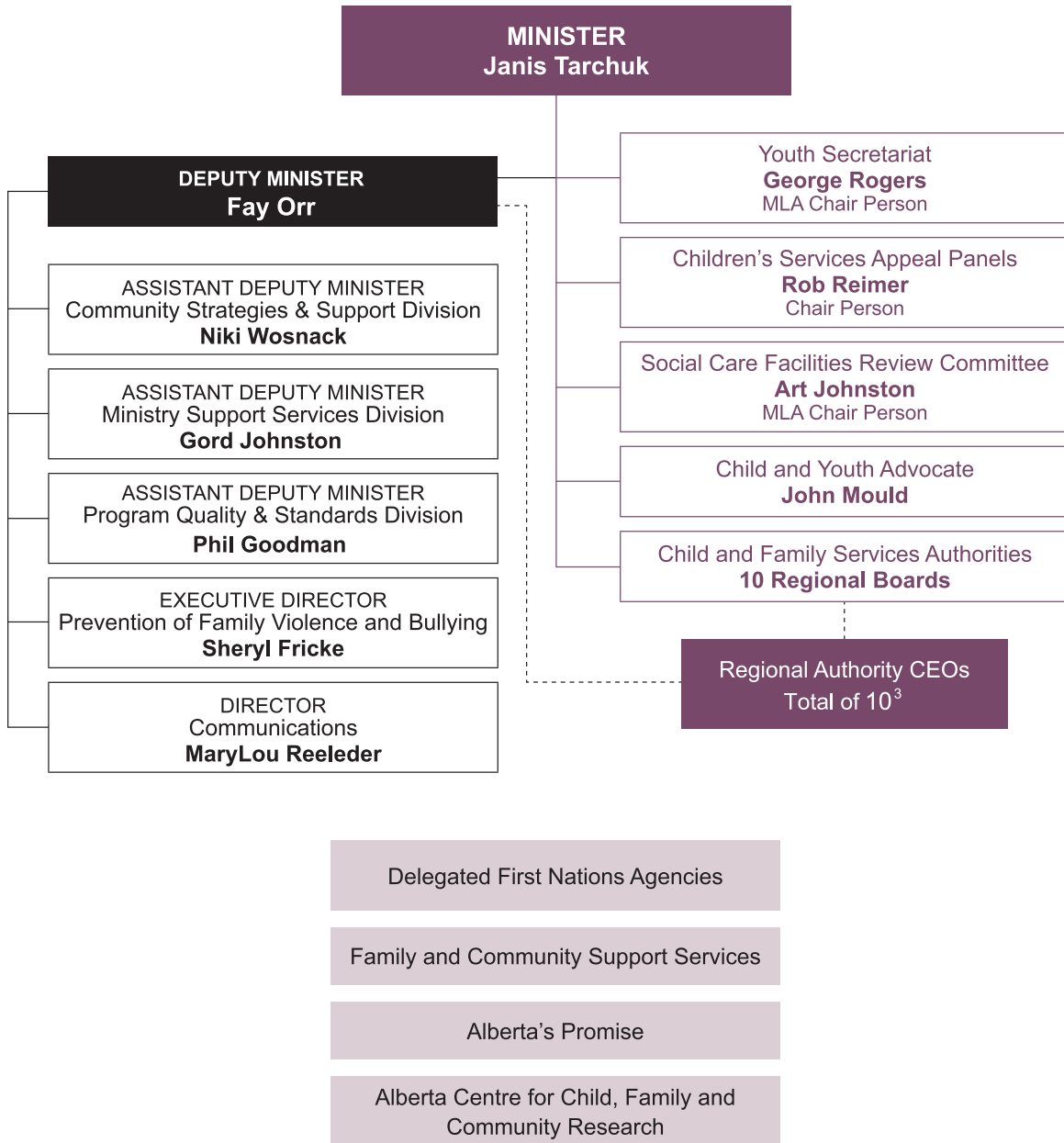
Strong children, youth, families and communities

OUR MISSION

Working together to enhance the ability of families and communities to develop nurturing and safe environments for children, youth and families

¹Based on Alberta Regional Health Authority Populations, as of December 2007.

Alberta Children’s Services Organization²



²As at March 31, 2008.

³Dotted lines represent a dual reporting relationship for CEOs.

Description of the Organization

The provincial government is responsible for providing services for the safety, security and well-being of children and families. The Ministry of Children's Services fulfills these obligations through the following entities:

Department of Children's Services

Community Strategies and Support

The Community Strategies and Support division provides leadership that supports the implementation of preventive programs and builds capacity to effectively use partnerships to enhance community-based services. Key areas of responsibility include:

- Early learning and child care;
- Community partnerships (for example: Family and Community Support Services, Parent Link Centres and the Fetal Alcohol Spectrum Disorder Initiative);
- Board governance, including the Appeal Secretariat and the Social Care Facilities Review Committee;
- Youth Strategies (for example: the Advancing Futures Bursary program, the Alberta Mentoring Partnership and youth engagement);
- Collaborative initiatives (for example: Alberta Children and Youth Initiative); and
- Social sciences research.

Ministry Support Services

The Ministry Support Services division provides strategic and operational support for policy and program development and service delivery. The division co-ordinates and provides the Ministry with:

- Business planning, risk management and corporate strategic operations;
- Performance measurement and reporting strategies;
- Legal policy advice, legislative planning and litigation support;
- Financial planning, budgeting, analysis and monitoring processes;
- Human resource strategies, initiatives and services;
- Data resources, records management, information systems and technology infrastructure; and
- Advice relating to the *Freedom of Information and Protection of Privacy Act*.

Program Quality and Standards

The Program Quality and Standards division provides leadership and support to ensure children, youth and families receive high-quality services that focus on better outcomes for children. Key responsibilities include:

- Quality assurance standards for the Child Intervention and Family Support for Children with Disabilities programs and outcomes;
- Program policy and service design for Family Support for Children with Disabilities; Protection of Sexually Exploited Children; and Child Intervention, which includes foster care, group care and adoption; and
- Support for Child and Family Services Authorities (CFSAs) and Delegated First Nations Agencies (DFNAs) in training, case consultation, mentoring, mediation and assurance of provincial standards.

Prevention of Family Violence and Bullying

The Prevention of Family Violence and Bullying division provides leadership for the development and implementation of a co-ordinated and collaborative provincial response to preventing family violence and bullying and supporting those affected. The key responsibilities of the division include:

- Preventing and reducing the incidence of family violence and protecting victims of family violence through the remedies enabled by the *Protection Against Family Violence Act* (PAFVA) and the *Child, Youth and Family Enhancement Act*;
- Supporting communities with provincial policy and grant funding to work towards a co-ordinated provincial response to family violence and bullying that includes a comprehensive range of prevention, protection, outreach and follow-up services and supports for children and other family members impacted by family violence and bullying;
- Administering funding for women's emergency shelters and sexual assault centres; and
- Working with government ministries, provincial and national organizations and communities to affect positive social change and build provincial leadership toward an Alberta free of family violence and bullying.

Communications

The Communications branch supports Children's Services in its ongoing two-way dialogue with Albertans and staff. The branch helps inform Albertans about the Ministry's key initiatives, programs and services by providing communication planning, media relations and writing and editing services. Communications also provides guidance and support for public awareness campaigns, website development and marketing, while supporting the effective flow of information through the Ministry.

Child and Family Services Authorities

The Minister of Children's Services appoints a board of community members to govern each Child and Family Services Authority (CFSA). There are 10 regions including one specifically dedicated to providing services within the eight Métis Settlements. The *Child and Family Services Authorities Act*, along with a memorandum of understanding and an annual business plan approved by the Minister, guides activities for each board. CSFAs provide supports and services to children, youth and families in various regions throughout the province, meeting local needs while following provincial policies.

Two co-chairs are appointed in each region, with one being Aboriginal. As well, a Chief Executive Officer (CEO) ensures CFSA effectiveness and reports to both their respective CFSA Board and the Deputy Minister. The CEO oversees the execution of the board's policies and decisions. Approximately 2,700 staff employed by Children's Services work in the province's 10 CSFAs. When appropriate, CSFAs contract with community-based agencies to deliver services.

Each CFSA:

- Manages services for children, youth and families;
- Ensures children and families have access to high-quality services;
- Assesses needs and sets priorities;
- Monitors and assesses the provision of child and family services to ensure quality;
- Plans and allocates resources;
- Contracts with agencies to deliver services;
- Engages with the community;
- Ensures provincial policies and standards are followed; and
- Works with other CSFAs, Delegated First Nations Agencies (DFNAs), public and private bodies and government to co-ordinate services for children and families.

Child and Family Services Authorities

- Region 1** Southwest Alberta Child and Family Services Authority
- Region 2** Southeast Alberta Child and Family Services Authority
- Region 3** Calgary and Area Child and Family Services Authority
- Region 4** Central Alberta Child and Family Services Authority
- Region 5** East Central Alberta Child and Family Services Authority
- Region 6** Edmonton and Area Child and Family Services Authority
- Region 7** North Central Alberta Child and Family Services Authority
- Region 8** Northwest Alberta Child and Family Services Authority
- Region 9** Northeast Alberta Child and Family Services Authority
- Region 10** Métis Settlements Child and Family Services Authority



Delegated First Nations Agencies

To better meet the unique needs of First Nations children and youth living on reserve, Children's Services recognizes and values the need for First Nations communities to have a role in the design, implementation and evaluation of child intervention services. This is accomplished through bilateral and trilateral agreements with 18 Delegated First Nations Agencies (DFNAs), representing 40 of the 47 First Nations in Alberta, which provide services under the *Child, Youth and Family Enhancement Act*. Through these agreements, each DFNA is accountable and responsible for ensuring that children in need of intervention on the member First Nations reserves receive the services they require. DFNAs are accountable and responsible to Indian and Northern Affairs Canada for the funding they receive from the federal government to deliver these services.

Family and Community Support Services

Family and Community Support Services (FCSS) is a funding partnership between the province and municipalities or Métis Settlements. The Ministry of Children's Services funds 80 per cent of the budget, while municipalities and Métis settlements provide a minimum of 20 per cent of their annual budget for preventive social services. Under FCSS legislation, communities have local autonomy to design and deliver preventive social programs to promote and enhance well-being among individuals, families and communities. The program depends on community resources, and volunteers are often involved in the management and delivery of programs and services. A total of 305 municipalities and Métis Settlements, organized into 200 programs, provide FCSS-funded services throughout Alberta.

Youth Secretariat

The Minister appoints an MLA to head up the Youth Secretariat. The Youth Secretariat works with youth, MLAs, Ministry representatives, government departments and stakeholders to address issues facing Alberta's youth. The Secretariat maintains a Youth Advisory Panel to provide an ongoing youth perspective and to develop effective solutions to issues affecting the province's young people.

Children's Services Appeal Panels

The Minister appoints the *Child, Youth and Family Enhancement Act* Appeal Panel and the *Family Support for Children with Disabilities Act* Appeal Panel. These citizen panels provide fair, impartial and independent reviews to Albertans who are affected by an appealable decision as determined by the relevant legislation. Appeal panels are quasi-judicial administrative tribunals, which operate under the relevant legislation. They make written decisions to confirm, reverse or vary a decision of the Director of the *Child, Youth and Family Enhancement Act*. The appeal panels report directly to the Minister.

Social Care Facilities Review Committee

The Lieutenant Governor-In-Council appoints the Social Care Facilities Review Committee. The committee reports directly to the Minister. This citizen panel reviews provincially-funded social care facilities, such as group homes, day care centres and out-of-school care programs, and investigates complaints upon the Minister's request.

Child and Youth Advocate Office

The Office of the Child and Youth Advocate administers two public services: advocacy services and Legal Representation for Children and Youth (LRCY). LRCY retains lawyers to act as the legal representatives of children and youth receiving services under the *Child, Youth and Family Enhancement Act* and the *Protection of Sexually Exploited Children Act*. Also, the Advocate helps children and youth receiving services to exercise their rights, access services and have their viewpoints considered when decisions are made about them.

Alberta's Promise

Alberta's Promise is an initiative which encourages all sectors to direct resources, enhance and build community capacity in order to further the well-being of children and youth. In existence since 2003, and now with more than 1,149 partners, Alberta's Promise uses a fact-based approach to educate the funding community as to where their community investments might best improve outcomes for children and youth. Alberta's Promise is governed by a 70-person Premier's Council which is comprised of individuals from the private sector, not-for-profit sector and community leaders across Alberta. A Board acts on behalf of the Premier's Council as an Executive arm of the Council. Premier Stelmach is the Chair of Alberta's Promise and Mrs. Marie Stelmach is the Honorary Chair. The Minister and Deputy Minister also serve as members of the Premier's Council.

Alberta Centre for Child, Family and Community Research

The Alberta Centre for Child, Family and Community Research is an innovative, arm's-length, not-for-profit corporation that conducts research related to child well-being and helps put it into practice. The Centre has several key areas of focus: developing a policy-relevant research agenda in consultation with policy makers and service providers; funding unique research; gathering, analyzing and disseminating relevant and emerging national and international research that is relevant to Alberta's cross-sectoral research capacity; and analyzing government administrative data to inform policy through the Child and Youth Data Laboratory.

Ministry Core Businesses

Children's Services works in partnership with other ministries and other levels of government to provide a wide range of supports and services to improve positive outcomes for Alberta children, youth and families. Children's Services, under the direction of the Minister, takes the lead in three core businesses:

CORE BUSINESS 1:

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

Goal 1: Children and youth will have a healthy start in life and the supports they need to reach their potential

CORE BUSINESS 2:

Keeping children, youth and families safe and protected

Goal 2: Families will be safe, healthy and able to promote children's development

Goal 3: Children in need will be protected and supported by permanent, nurturing relationships

CORE BUSINESS 3:

Promoting healthy communities for children, youth and families

Goal 4: The well-being and self-reliance of Aboriginal children, youth, families and communities will be promoted, supported and comparable to that of other Albertans

Goal 5: Communities will have the capacity for shared planning and delivery of services that promote the well-being of children, youth and families

Summary of 2007-08 Key Activities

- Continued to implement the *Child, Youth and Family Enhancement Act* through the rollout of a new Casework Practice Model in sites across the province. The model, which will be implemented provincewide in 2008, builds on leading practices; gives children, youth and families more input into decisions; and helps caseworkers create more effective, strength-based solutions that build relationships with families.
- Entered into an historic agreement with Alberta's First Nations and Indian and Northern Affairs Canada to ensure additional federal funding over the next five years for the delivery of prevention, early intervention and enhancement services to children, youth and families living on reserve.
- In partnership with CFSAs and DFNAs, continued to enhance permanency and improve services for Aboriginal children and youth. In 2007-08, the Ministry reported a 28 per cent increase in the number of Aboriginal children and youth experiencing permanency through adoption and private guardianship placements.
- Worked with foster parents, kinship care providers and other stakeholders to create a provincial campaign to recruit additional foster parents and Aboriginal caregivers, who can provide safe, nurturing homes for children and youth in care.
- Implemented a comprehensive child care strategy, which included assistance and funding for licensed day care centres and contracted family day home agencies. The plan will attract staff, create new spaces, help day care centres and day home agencies achieve accreditation and reduce fees for parents receiving subsidy. The plan has resulted in about 3,500 new child care spaces and about 340 new staff. A Staff Attraction Incentive Allowance brought 160 trained staff back to child care. Another 178 child care staff took advantage of the Child Care Bursary and enrolled in leadership and post-secondary training. More than half (54 per cent) of eligible day care centres and family day home agencies achieved accreditation.
- Consulted with more than 1,500 Albertans on new child care legislation and regulations that focus on parental choice and quality programming.
- Worked with stakeholders to find solutions for new child care spaces and out-of-school care spaces. A new out-of-school funding framework will be implemented in the next fiscal year.
- Held the Uniting for Children and Youth Forum 2007 in Edmonton in May 2007, with over 1,000 delegates from across Alberta.
- Improved access to the Advancing Futures Bursary program resulting in an additional 459 young people (an increase of over 12 per cent) receiving the bursary.
- Final approval given to the Alberta Mentoring Partnership Strategic Plan, of which Children's Services is the lead.
- Worked with community-based organizations, universities and the Alberta Centre for Child, Family and Community Research to develop a multi-year research plan, which addresses research needs in several key children and youth service delivery areas. The plan includes a process for planning and undertaking priority research projects and using research findings.

- Began implementing the Fetal Alcohol Spectrum Disorder (FASD) 10-year Strategic Plan with 10 partnering ministries, the Alberta Gaming and Liquor Commission and the Alberta Alcohol and Drug Abuse Commission (AADAC), as well as two federal representatives from the Public Health Agency Canada and First Nations and Inuit Health Branch. Seven FASD regional networks are strengthening existing services and creating new ones.
- Piloted the internationally renowned Triple P – Positive Parenting Program in 20 Parent Link Centres in three CFSAs. This multi-level program promotes positive, caring relationships between parents and their children and helps parents learn effective management strategies for dealing with a variety of childhood developmental and behavioural issues.
- Established a bursary that will develop professional leaders in FCSS programs and Parent Link Centres. The bursary followed an FCSS program review, which led to 16 recommendations that will improve collaboration and efficiency between FCSS programs and CFSAs.
- Implemented the Provincial Safe Visitation Initiative. After a separation or divorce, safe visitation services give children secure, supervised visits with non-custodial parents when there is a high risk of violence between parents. Five safe visitation sites were established in Calgary, Edmonton, Grande Prairie, Lethbridge and Red Deer. A sixth Fort McMurray site is expected to receive approval and funding to begin operating in 2008-09.
- Provided an additional \$2 million in grant funding, as part of the Provincial Family Violence Prevention Program, to provide longer-term sustainable funding to community programs that support victims. Funding was provided to Calgary, Camrose, Edmonton, Fort McMurray, Grande Prairie, Medicine Hat, Red Deer and Whitecourt.
- Implemented recommendations from the Women's Emergency Shelter Program Review, which included funding for shelter staff salary increases to assist with recruitment and retention.
- Collaborated with the Persons with Developmental Disabilities Program (PDD) of Seniors and Community Supports and the Alberta Alcohol and Drug Abuse Commission (AADAC) to address staff recruitment and retention issues for contracted service providers. In November 2007, Children's Services announced an additional \$10 million in grants to contractors to address these concerns.

Results Analysis

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Message from the Deputy Minister

This past year, Children's Services rose to the many challenges set before the Ministry in its work to support strong children, youth, families and communities. From working to meet the child care needs of families to improving the way we deliver frontline services, Ministry staff demonstrated their compassion and commitment to Albertans on a daily basis.

Parents across the province have told us they need quality, affordable child care. In addition to the new *Child Care Licensing Act* that provides parents with more child care options and focuses on program quality, we also implemented a comprehensive child care strategy. The strategy included a Staff Attraction Incentive Allowance to bring trained staff back to the child care field; a bursary for child care staff to enrol in leadership and post-secondary training and a Space Creation Innovation Fund, which resulted in the creation of about 3,500 new child care spaces. We also developed a funding framework for out-of-school care to help families access child care for children aged six to 12.

Preventing family violence and bullying remains a priority for Children's Services. Through our safe visitation program, children in high-risk family violence situations now have a safe, supervised place to connect with their parents. Over the past year, five safe visitation sites opened throughout the province. In response to the Women's Emergency Shelter review, a number of recommendations were implemented including additional funding for shelter staff salaries. We also launched The Art of Peace Challenge to encourage youth to motivate Albertans to reach out and help those affected by family violence or bullying.

In Alberta, an estimated 23,000 people live with Fetal Alcohol Spectrum Disorder (FASD). The government is committed to supporting those affected by this lifelong disability and Children's Services is proud to lead the FASD 10-year Cross-Ministry Strategic Plan. The plan focuses on many areas, including awareness and prevention; assessment and diagnosis; training and education; and support for individuals and caregivers. Seven service networks were formed to deliver a range of services to those affected by FASD.

We have also been working hard to continue to roll out the Casework Practice Model, a new way to work with children and families that builds on leading practices in social work. The model focuses on thorough initial assessments and increased collaboration with families. We began developing an Intervention Services Information System to support staff as they use the new model. We also conducted a preliminary evaluation of the model and gathered feedback from staff.

Aboriginal children make up a large proportion of the children in care in Alberta, and we know how important it is for them to stay connected to their communities and cultures. To this end, we conducted extensive consultations with First Nations and Métis communities and developed a strategy for recruiting more Aboriginal caregivers.

Through an historic agreement with First Nations in Alberta and the federal government, Delegated First Nations Agencies will now receive federal funding to deliver early intervention and prevention services to children and families living on reserve. This funding will allow First Nations to work with families before they reach crisis.

Human services agencies told us that if they could attract and keep more qualified staff, they would be in a better position to offer the high-quality services Albertans continue to need. In response, Children's Services invested \$10 million to help these agencies in their recruitment and retention efforts.

At Children's Services, we know it takes many people and organizations working together to make a difference in the lives of children, youth and families. I want to express my gratitude to our staff and many partners for their ongoing dedication on behalf of children and families.

This coming year promises even more challenges. Whether it's helping to support the creation of 14,000 new child care spaces by 2011, expanding services for Aboriginal and immigrant families experiencing family violence, or implementing the Casework Practice Model throughout the province, I'm confident the Children's Services team and our many partners will once again rise to the occasion.

*Fay Orr
Deputy Minister
September 19, 2008*

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Information



To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the Ministry of Children's Services 2007-08 Annual Report. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Performance measures

Completeness

1. Performance measures and targets matched those included in Budget 2007. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations matched information used to calculate the actual results.
3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

*Edmonton, Alberta
July 31, 2008*

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

Core Business One:

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



GOAL 1:

Children and youth will have a healthy start in life and the supports they need to reach their potential

Strategies

- 1.1. Lead the implementation of the cross-ministry Prevention of Family Violence and Bullying Initiative action plan to support individuals, families, communities and governments to work together towards an Alberta free of family violence and bullying.
- 1.2. Lead and build on Alberta's Bullying Prevention Strategy in collaboration with cross-ministry partners and community stakeholders.
- 1.3. Enhance cross-sector capacity to respond to the needs of children and youth with special and complex needs and their families by improving co-ordination and access to services and supports.
- 1.4. Continue to support youth in transition (ages 13 to 22) by enhancing access to mentoring opportunities through co-ordination of services and supports to youth.
- 1.5. In collaboration with other ministries and government agencies, develop guidelines and resources to implement strategies aimed at preventing Fetal Alcohol Spectrum Disorder and substance abuse.
- 1.6. Work with municipalities and Métis Settlements to assess the outcomes of Family and Community Support Services programs and services delivered to children, youth and families and implement the approved recommendations from the Family and Community Support Services program review.
- 1.7. Introduce a continuous improvement process for ongoing implementation of the Family Support for Children with Disabilities legislation.
- 1.8. Enhance parental involvement in the ongoing implementation of the Family Support for Children with Disabilities legislation.
- 1.9. Enhance child care, including through the accreditation process and funding for staffing supports, to ensure parents and families have access to quality child care that gives their children the best possible start in life and the support they need to reach their potential.
- 1.10. Continue to implement the Parent Link Centre initiative including a service assessment prior to further expansion.
- 1.11. Implement a new *Child Care Licensing Act*, to promote quality of care in licensed facilities.
- 1.12. Work with the Ministry of Education to implement pilot strategies that focus on improving outcomes, including school performance and high school completion for children in care.
- 1.13. Continue to improve access to Advancing Futures Bursary program to help increase the educational attainment of youth in care.

Accomplishments

- Implemented the Provincial Safe Visitation Initiative. After a separation or divorce, safe visitation services give children secure, supervised visits with non-custodial parents, where there is a high risk of violence between parents.
 - Five pilot safe visitation sites were established in Calgary, Edmonton, Grande Prairie, Lethbridge and Red Deer. A sixth Fort McMurray site will receive approval and funding to begin operating in 2008-09. In the first year of operation, 35 families who are at high risk of continued violence used safe visitation services. Evaluation of the initiative is underway.
- Successfully implemented Phase III of Alberta's Bullying Prevention Strategy focusing on bullying behaviour and teaching acceptance of diversity among children and youth, targeted to children seven to 13 years of age. Launched November 2007, Phase III included:
 - Mass media and corporate partnerships with Cineplex Odeon and Movie Gallery outlets;
 - Additional website resources for children, youth and adults on how to prevent bullying;
 - Resources distributed to over 5,500 stakeholders; and
 - Ongoing youth engagement in policy and program development through Alberta's Prevention of Bullying Youth Committee.
- Launched The Art of Peace Challenge during Family Violence Prevention Month to encourage youth to express their views of family violence and bullying prevention through a variety of art forms. Successful contestants will be recognized during Family Violence Prevention Month 2008.
- Continued to operate six Taking Action on Bullying sites and Roots of Empathy programs across the province.
- Completed the Report on the Children and Youth with Complex Needs Funding Review.
- Reviewed the Family and Community Support Services (FCSS) program to identify its strengths and explore opportunities for improving collaboration and efficiency between FCSS programs and CFSAs. Implemented eight of the 16 recommendations in the FCSS review and began work on the remaining eight.
- Allocated \$1.6 million to projects in rural FCSS communities, following the FCSS Rural Issues Working Group report and recommendations.
- Implemented new provincial standards and a compliance monitoring process for the Family Support for Children with Disabilities (FSCD) program to ensure continuous improvement in the delivery of services and alignment with legislation.
- Collaborated with the Provincial Parent Advisory Committee for FSCD, which has representatives from each CFSA and meets six times a year, to ensure ongoing dialogue between the FSCD program and families. The advisory committee provides valuable advice on program policy and practice. The parents who sit on the committee also work with CFSAs to establish parent advisory committees and enhance parental involvement at the regional level.
- Enhanced FSCD multidisciplinary teams, creating greater access to cross-sector expertise and improving co-ordination and access to services for children with complex needs. Videoconferencing is now in place in all CFSAs to increase access for rural families.

- Standardized an expert review process to ensure proposed treatments and therapies for children with disabilities are evidence-based and likely to achieve positive outcomes.
- Implemented a comprehensive child care strategy, which included assistance and funding for licensed day care centres and contracted family day home agencies. The plan is helping to attract staff, creating new spaces, helping centres and agencies achieve accreditation and reducing fees for parents receiving subsidy. The child care strategy included:
 - A Staff Attraction Incentive Allowance, which brought 160 trained staff back to child care, 60 more than the target of 100 child care workers;
 - Enhanced staff support funding, which attracted 340 new staff;
 - A child care bursary, which allowed 178 child care staff to enrol in leadership and post-secondary training;
 - A Space Creation Innovation Fund, which resulted in about 3,500 new day care spaces;
 - An accreditation program, which has resulted in 54 per cent (296 of 548) of Alberta's eligible child care programs becoming accredited; and
 - A subsidy transaction fee, which 67 per cent of centres are now using, to help operators offset the costs of completing the paper work and administration related to subsidy. By covering this cost, operators will not pass administration costs onto parents in the form of higher fees.
- Developed a provincial funding framework for out-of-school care. The framework will extend the provincial subsidy for parents using out-of-school care and will include a Stability Retention Grant (wage enhancement) to keep staff in the field, along with an accreditation program to promote quality programming.
- Conducted provincewide public consultations on the proposed *Child Care Licensing Act*. The consultations included face-to-face interviews, online surveys, letters and e-mails. A summary of the first round of consultations was posted on the website.
- Partnered with the Ministry of Employment, Immigration and Industry (EII) to launch the Seeds of Empathy pilot sites, a unique program that teaches empathy to preschoolers through guided sessions with a child and parent. The Seeds of Empathy sites are in 15 day care centres in Edmonton, Calgary, Red Deer and Beaumont. The program, funded by EII, will expand to include 65 day care sites throughout the province over the next three years.
- Allocated \$1.9 million in new funding to allow Parent Link Centres to increase and expand services. Forty-six Parent Link Centres serve over 160 communities through main and outreach sites.
- Completed a comprehensive Service Assessment of Parent Link Centres, to review participant, service delivery and service coordination outcomes achieved since the inception of the initiative three years ago. Provided recommendations about future directions for Parent Link Centres.
- Developed a collaborative initiative with the Ministry of Education to assess and improve educational performance for children in care, which included conducting youth consultation activities and developing initial pilot strategy concepts.
- Developed a Provincial Mentoring Strategic Plan to increase mentoring opportunities by establishing a partnership with 10 ministries, 16 not-for-profit agencies and two boards and commissions. The plan aims to ensure that at-risk children and youth have access to a mentor. A marketing campaign is also being developed for public release in 2009. The implementation of the Strategic Plan will:

- Increase awareness about the importance of mentoring;
 - Reduce barriers that may keep potential mentors from becoming involved;
 - Build the operating capacities of small mentoring programs; and
 - Increase the mentoring opportunities for at-risk youth, including Aboriginal and immigrant youth, youth in care and youth with disabilities.
- Held the Uniting for Children and Youth Forum. The two-day forum celebrated youth as volunteers, presenters, facilitators, delegates and entertainers. Four keynote presentations and more than 30 concurrent sessions explored innovative research, promising practices, social and economic trends that affect the way families in Alberta are served, and strategies to improve personal well-being for the care provider.
 - Hosted 12 Mentoring Mixers for the Advancing Futures Bursary program with 150 participants.
 - Provided educational opportunities and resources to youth who are, or who have been, in government care through the Advancing Futures Bursary program. 459 youth received bursaries, over 12 per cent more than last year.
 - Held 16 Advancing Futures Bursary information sessions throughout the province, with over 300 youth attending. The sessions were part of a plan to further increase the number of approved applicants. A new Readiness Assessment Tool will help applicants prepare for a successful future. The *Live Your Dream Conference* provided bursary recipients with an opportunity to develop an education success plan and to strengthen their resilience, as do Advancing Futures Bursary co-ordinators who visit CFSA and DFNA to meet with caseworkers, youth care and youth-serving agencies.

Child and Family Services Authorities Highlights

- In September 2007, the Calgary and Area CFSA became the first region in Alberta to launch a safe visitation pilot program, in partnership with the Office for the Prevention of Family Violence and Bullying and the YWCA's Sheriff King Home. The pilot project, part of a provincewide initiative in five cities, aims to create environments where children from families experiencing family violence can have safe, supervised and controlled visits with parents. Safe visitation helps build the child-parent bond and encourages parents to develop their parenting skills by providing access to resources. A number of children and families in the region have already benefited from having access to safe visitation sites.
- Northeast Alberta CFSA made progress towards its goal of increasing child care capacity through the creation of the Community Child Care Coalition and plans to establish 115 new child care spaces through the Creating Spaces initiative. Child care staffing incentives also helped the region meet its goal of more spaces as more child care professionals are remaining in the field.
- Métis Settlements CFSA staff received funding from the Alberta Mental Health Board to support integrated school-based community mental health promotion and prevention programming. Mental health programming will now be provided to students in need in the communities of Peavine, Gift Lake and Grouard.

Outcomes and Performance Measures

Expected outcomes:

- Children and youth are physically, emotionally, socially, intellectually and spiritually healthy.
- Children and youth meet individual developmental milestones.

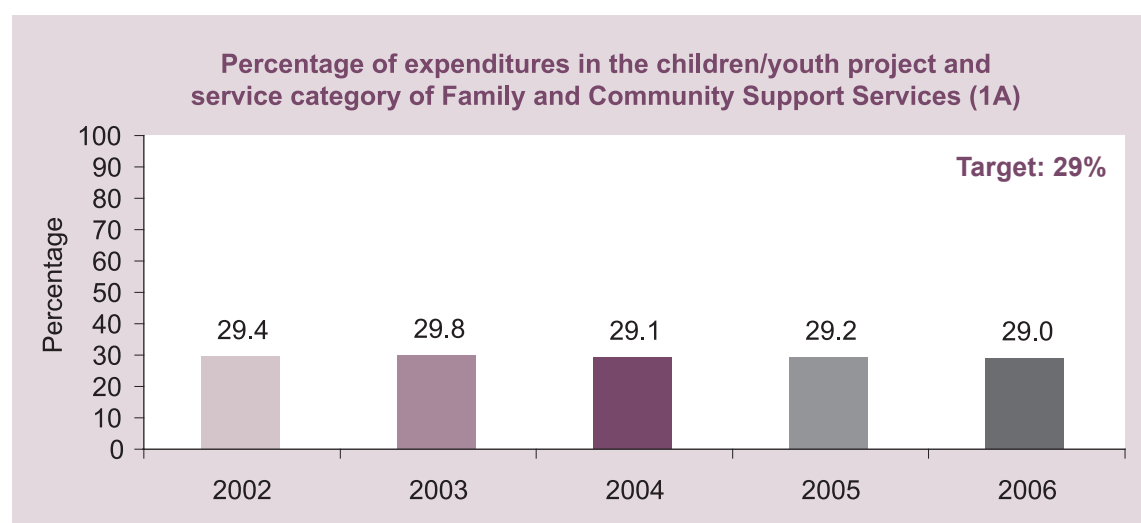
PERFORMANCE MEASURE 1A

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

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

The projects and services category for children and youth received 29 per cent of the expenditures. The 2007-08 result is based on the *2006 Overview Report*, as highlighted in the graph below. This result met the 2007-08 target of 29 per cent. Results have generally been stable over time.

Local autonomy is a key FCSS program principle. Since each participating municipality or Métis Settlement determines how its funding is best allocated to serve community needs, some fluctuation in meeting the projected target is expected. The result represents expenditures of \$28.3 million in the children/youth category in 2006. Expenditures reported in all FCSS projects and service categories totalled \$97.7 million (Children's Services contributed \$63.1 million, and municipalities, Métis Settlements and other revenue sources contributed \$34.6 million). Beginning next year, this measure will be expanded to include expenditures in the family category as well.



Data source: Annual FCSS program reports, Alberta Children's Services

Data for this measure are collected by calendar year and are formally reported the next fiscal year.

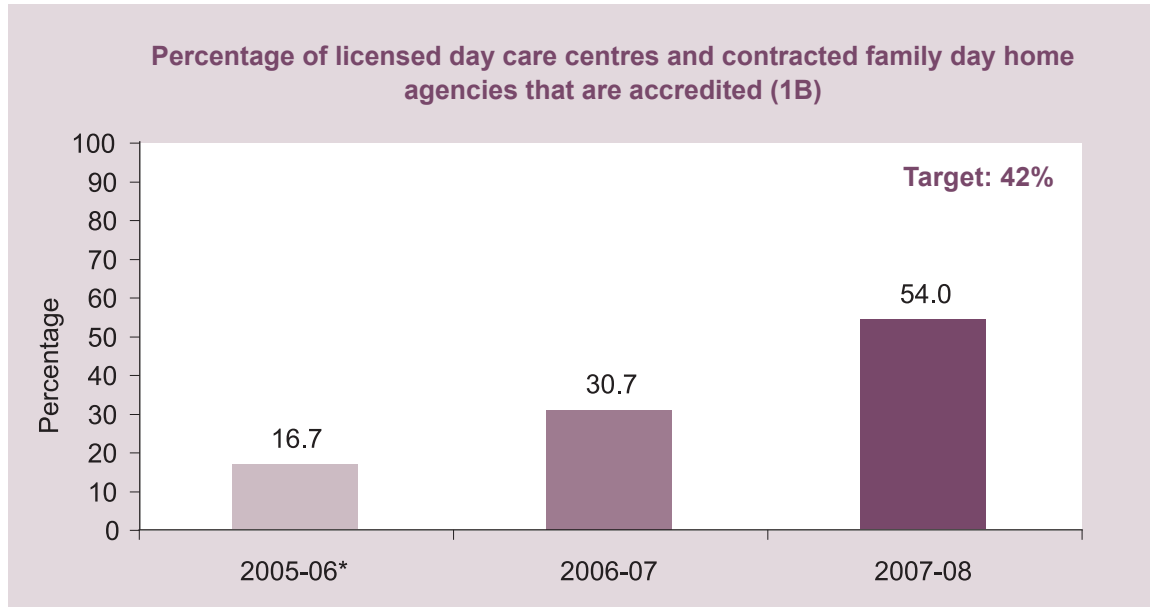
PERFORMANCE MEASURE 1B

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

Accreditation is voluntary. Programs that have successfully been accredited:

- Support children's optimal development;
- Provide practitioners with the tools they need to support and maintain high-quality services; and
- Provide families with the information they need to select high-quality care for their children.

In 2007-08, 54.0 per cent of licensed day care centres and contracted family day home agencies (296 out of 548) met the child care standards of excellence and were officially accredited. A policy change required child care programs to complete their accreditation self-study and request their site visit within 15 months. This resulted in an increased demand for accreditation services. The 2007-08 performance target of 42 per cent was exceeded by 12 per cent and the 2007-08 result was an increase of 23 per cent over 2006-07 results.



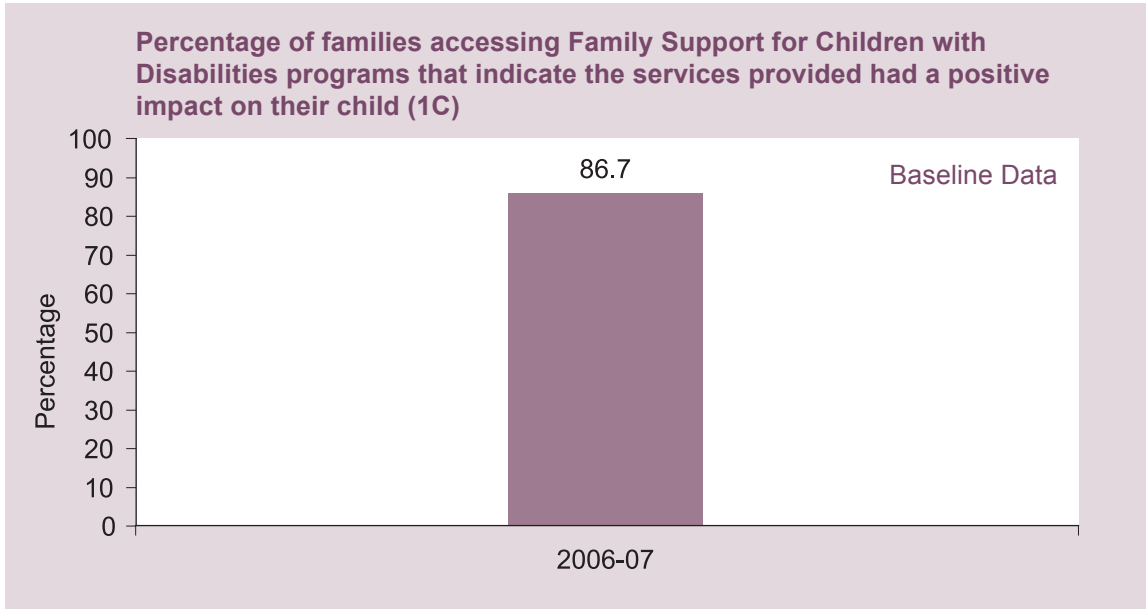
Data Source: Child Care Information System (CCIS), Alberta Children's Services; and accreditation certificates from the Alberta Association for the Accreditation of Early Learning and Care Services

*Results restated due to a change in methodology.

PERFORMANCE MEASURE 1C

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

In 2006, the Ministry conducted an initial survey with families of children receiving services through the FSCD program to determine their level of satisfaction with the program and the degree to which they felt it was having a positive impact on the children and families served. Out of the families surveyed, 86.7 per cent agreed that involvement with the FSCD program had a positive impact on their child. The results of the next survey will be reported in 2008-09.



Data Source: FSCD Family Survey, Alberta Children's Services

Core Business Two:

Keeping children, youth and families safe and protected



GOAL 2:

Families will be safe, healthy and able to promote children's development

Strategies

- 2.1. Implement and strengthen the co-ordinated provincial response to family violence and bullying with culturally sensitive and accessible community based services and supports to increase the safety and healthy development of children and families in family violence and bullying situations, including emergency shelter for victims of family violence.
- 2.2. Continue to implement and monitor the government approved amendments to the *Protection Against Family Violence Act* and implement approved recommendations from the Women's Emergency Shelter Review.
- 2.3. Support increased collaboration between Child and Family Services Authorities and the Family and Community Support Services Program.
- 2.4. Collaborate with other ministries and government agencies to improve supports for children, youth and families impacted by substance abuse, including those affected by Fetal Alcohol Spectrum Disorder.
- 2.5. Continue to enhance foster care and kinship care through improved recruitment, training and supports so that children, who cannot remain in their parental homes, receive quality care.

Accomplishments

- Established seven FASD Networks as part of a cross-ministry 10-year FASD Strategic Plan. The networks, which together received a total of \$350,000 in start-up funding, have submitted business plans and begun operating.
- Continued to provide training on amendments made to the *Protection Against Family Violence Act* (PAFVA). Comprehensive training was provided to more than 2,000 Children's Services staff, police and community service providers, along with orientation to judges and Justices of the Peace.
- As a result of the training and availability of information on the PAFVA, more professionals were able to help people affected by family violence apply for Emergency Protection Orders (EPOs). After the amendments came into force in November 2006, there was a 91 per cent increase in applications filed during 2006-07. In 2007-08 the number of applications filed was 1,672, representing a further increase of 7 per cent.

- Completed a cross-jurisdictional analysis to compare traditional second-stage and transitional housing models for victims of family violence. The analysis will help to inform policy on the continuum of family violence services available in shelters and the community to maximize community partners' potential to provide services to victims of family violence wherever they are located.
- Participated in the Affordable Housing Building Efficiencies Sub-Committee to ensure the housing concerns of families dealing with family violence situations are considered during development of the provincial affordable housing strategy.
- Continued to work with cross-ministry partners and the Alberta Council of Women's Shelters to clarify roles and responsibilities of government and communities with regards to the safety and healthy development of children and families in family violence and bullying situations.
- Worked with the Canadian Mental Health Board and Healthy Kids Alberta Initiative to continue carrying out the Positive Futures: Optimizing Mental Health for Alberta's Children and Youth: A Framework for Action (2006-2016).
- Implemented recommendations from the Women's Emergency Shelter Program Review, which included additional funding to increase shelter staff salaries and improve staff retention and recruitment.
- The Ministry is one of five partnering ministries working with the Ministry of Justice and the Attorney General to implement the recommendations from the Crime Reduction and Safe Communities Task Force Report. The November 2007 Task Force Report identified areas to better support children, youth and families.
- Developed a process in conjunction with the FCSS Association of Alberta to give FCSS programs input into the Ministry business planning process.
- Developed, in close partnership with the Alberta Foster Parent Association and other stakeholders, a provincial caregiver and recruitment campaign to increase the number of foster parents and Aboriginal caregivers available to provide safe, nurturing temporary homes for children and youth in care. Major activities completed in 2007-08 included:
 - research and consultation;
 - launch of www.FosterCareAlberta.ca, an informative website for prospective foster parents;
 - development of a provincial recruitment strategy and workplan; and
 - preliminary development of creative concepts and tools.
- Appointed a review board to initiate a comprehensive review of Alberta's foster care practice and standards and provide recommendations for areas of improvement.
- Selected and began training for a new home assessment model that will ensure quality and consistency in the assessment of prospective adoptive, foster, kinship care and private guardianship homes. The Structured Assessment Family Evaluation (SAFE) model will be used provincewide by 2009.

- Developed a series of videoconferencing training opportunities for foster parents and delivered specialized videoconferencing training to foster parents who care for children and youth with complex needs.
- Foster parents received a 3.6 per cent increase to the basic maintenance rate, as well as increases to the recreation allowance, vacation allowance, and baby-sitting reimbursement.
- Completed enhancements to the Foster Parent Payment System, in consultation with foster parents across the province, which will streamline the process for basic maintenance and other payments for foster parents.

Child and Family Services Authorities Highlights

- Northwest Alberta CFSA Youth Assessment Centre has successfully received accreditation, and the centre has designed and implemented new models of cultural awareness that include sweats, native crafts, in-house smudging, Elder visits and visits from the Canadian Armed Forces Bold Eagle Group.
- A joint initiative between the ministries of Justice and the Attorney General and Children's Services, called the Mediation Program, began in North Central Alberta CFSA. It is designed to enhance the partnership between families and the Ministry as well as promote individualized and effective planning.
- In the Northeast Alberta CFSA, the Northeast Alberta FASD Network was established with 14 partners representing FCSS, Alberta Alcohol and Drug Abuse Commission, Persons with Developmental Disabilities Community Board Northeast, Northern Lights Regional Health Authority, Public and Catholic School Boards, Northlands School Division, Athabasca Tribal Council and community agencies. The FASD Network hired an outreach worker to provide support to families in the five Aboriginal communities surrounding Fort McMurray.

Outcomes and Performance Measures

Expected Outcomes:

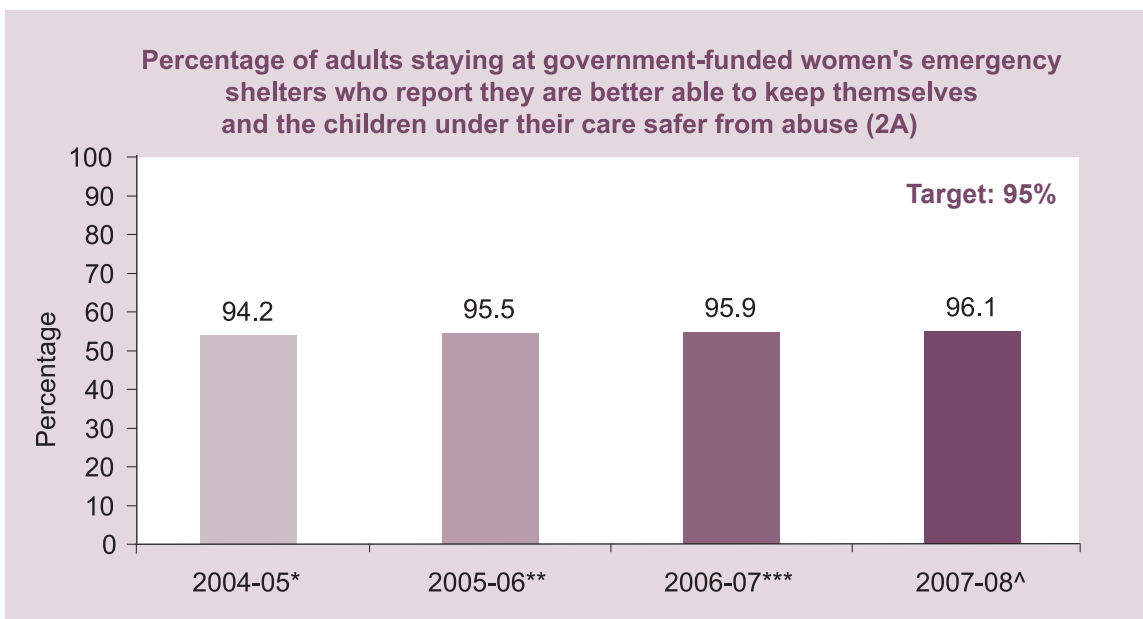
- Children, youth and families overcome at-risk circumstances.
- Children, youth and families are safe, healthy, resilient and self-reliant.

PERFORMANCE MEASURE 2A

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

Women's emergency shelters provide services and temporary safe places for families who are dealing with family violence in order to help them become safer and more self-reliant. This measure is based on a women's emergency shelter exit survey conducted between April 1, 2007 and March 31, 2008. It provides an indication of how shelter services have helped to lessen the vulnerability of the women and their children who were shelter residents to future risks of abuse.

The result reported is in response to the question: "As a result of my shelter stay, I am more able to keep myself (and the children in my care) safer from abuse." The 2007-08 result exceeded the target of 95 per cent.



Data Source: Women's Emergency Shelter Outcome Exit Survey, Alberta Children's Services

*Representing 18 of 28 government-funded women's emergency shelters

**Representing 23 of 28 government-funded women's emergency shelters

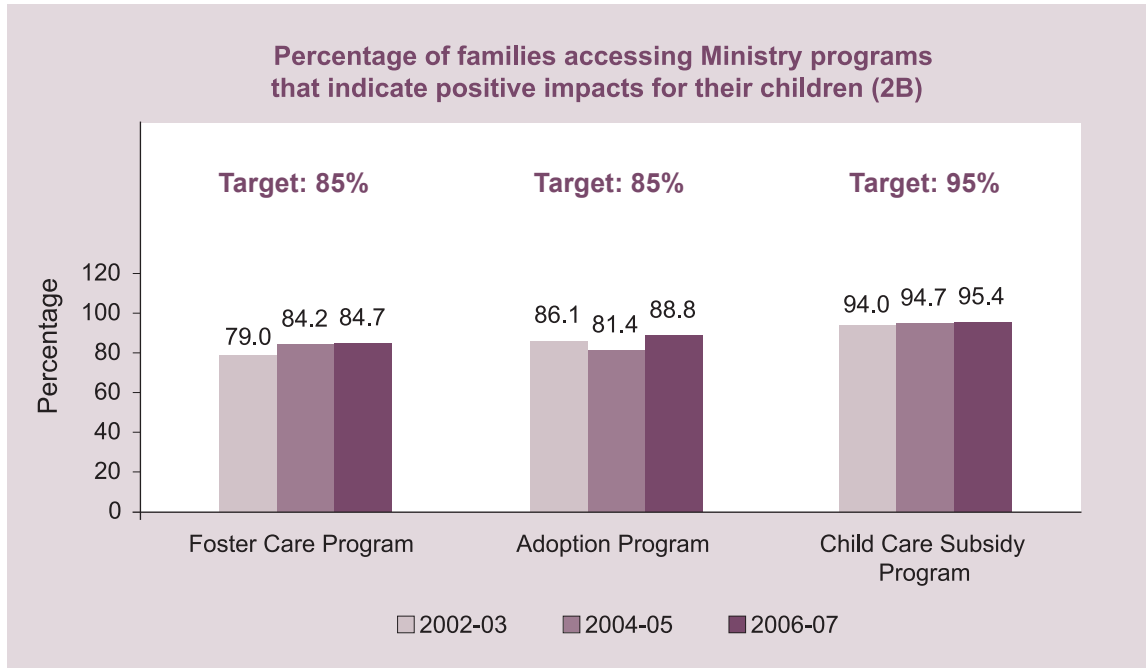
***Representing all government-funded women's emergency shelters (31). Some valid surveys may have been excluded in this calculation, as different versions of the survey were used by shelters in 2006-07.

^Representing 25 of 31 government-funded women's emergency shelters for the period of April 1 to September 30, 2007.

PERFORMANCE MEASURE 2B

Percentage of families accessing Ministry programs that indicate positive impacts for their children

Every two years, Children's Services conducts satisfaction surveys of three key client groups: foster care program, adoption program and child care subsidy program. Families are asked if Ministry programs have had positive impacts on their children. The latest survey was conducted in 2006-07. The results for foster care, adoption and child care subsidy were 84.7 per cent, 88.8 per cent and 95.4 per cent, respectively.



Data Source: Foster Care Program, Adoption Program and Child Care Subsidy Program Surveys, Alberta Children's Services

GOAL 3:

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

Strategies

- 3.1. Deliver Child Intervention Services by continuing to implement the new *Child, Youth and Family Enhancement Act* by developing a Casework Practice Model which will support the caseworker's ability to improve the safety and well-being of children, involve families and children in decision-making, assure quality services to promote children's development, shorten the time children spend in government care and unite children with their families or place them in other permanent, nurturing homes.
- 3.2. Continue to support and evaluate the implementation of Drug-endangered Children legislation.
- 3.3. Continue to develop and maintain quality assurance mechanisms including the Appeal Secretariat and the Social Care Facilities Review Committee.
- 3.4. Further support the implementation and evaluation of the "Speaking For Themselves" pilot project to develop processes to provide children and youth with legal representation in high conflict custody and access cases.
- 3.5. Continue to refine and implement prevention and treatment strategies for high-risk youth and youth involved in prostitution and work with stakeholders to develop and enhance programs to prevent the sexual exploitation of children and youth through prostitution, Internet luring and child pornography.

Accomplishments

- Continued to implement the *Child, Youth and Family Enhancement Act* by expanding the use of a new Casework Practice Model for the child intervention program beyond the 13 original champion sites across the province. The Casework Practice Model reflects leading practices in social work, including an increased focus on thorough assessment of a family's strengths as well as risk and safety factors. The Model allows caseworkers to spend more time with each family at the beginning and offers greater opportunity to identify core challenges and provide the appropriate supports.
- As part of ongoing implementation of the Casework Practice Model, the Ministry conducted an evaluation of the Model; implemented a new governance model and decision-making process; developed and implemented a communications strategy; began developing a new Intervention Services Information System to support the Model; developed and implemented a change management process; and gathered feedback from staff to inform adjustments to the Model and tools. Support was also provided to DFNAs, which provide child intervention services on reserve, to assess their readiness and assist them to implement the Casework Practice Model.

- Supported the implementation of the Casework Practice Model by creating Communities of Practice for the CFSA and DFNA Champion sites. Over 100 participants met in February and May 2008 to share expertise, identify implementation issues and develop innovative plans for successful provincial roll out of the Model.
- Monitored usage of the *Drug-endangered Children Act*, the first legislation of its kind in Canada to identify that children exposed to serious drug activity, such as manufacturing and trafficking, are victims of abuse and require protection. In 2007-08, 45 children were apprehended under the Act. An evaluation of the Act, including consultation with staff and police officers, is underway and will be completed in 2008.
- Implemented amendments to the *Protection of Children Involved in Prostitution Act* and Regulation and proclaimed the renamed *Protection of Sexually Exploited Children Act* on October 1, 2007. These amendments were based on feedback from youth, families and service providers, and will encourage youth to access services, decrease stigma, protect the identities of youth and extend supports and services to age 22.
- Began developing a campaign to educate and build awareness about children and youth at risk of sexual exploitation through prostitution.
- Delivered several parent education seminars, in partnership with TELUS, to increase awareness of the risks of online child sexual exploitation and to provide parenting tools and strategies to address these risks.
- Monitored regional implementation of the High Risk Youth Project (HRYP) based on regional action plans to enhance supports and improve outcomes for youth whose family circumstances, lifestyle and behaviours put them at higher than average risk for a range of problems.
- Improved the Ministry's appeal panel processes through training of new appeal panel members, retention of new counsel and collaboration in addressing procedural and administrative issues.
- Reviewed and revised the Child Intervention Standards, in partnership with CFSA's and DFNA's, to reflect changes to family enhancement services, services to children in care of the Director and practice changes as a result of the recently introduced Casework Practice Model. These revised standards will take effect April 1, 2008.
- Supported DFNA's and CFSA's continuous improvement efforts by assisting in the development and monitoring of action plans to address and resolve compliance gaps with respect to Child Intervention Standards.
- Appointed, through Legal Representation for Children and Youth, legal counsel for more than 1,000 children and youth receiving services under the *Child, Youth and Family Enhancement Act* and the *Protection of Sexually Exploited Children Act*; an increase of two per cent over 2006-07. During the year, lawyers also participated in the development and implementation of service standards.

- Alberta Children's Services, the Persons with Developmental Disabilities Program (PDD) of the Ministry of Seniors and Community Supports and the Alberta Alcohol and Drug Abuse Commission (AADAC) collaborated to address staff recruitment and retention issues for contracted service providers. On November 5, 2007, Children's Services announced an additional \$10 million in grants to contractors to address these concerns.
- Secured permanent placements for 567 children in government care (temporary or permanent) through adoption or private guardianship. In addition, saw an increase of 12 per cent in the number of kinship care homes, which is often a preferred placement option for Aboriginal families. Kinship care is the placement of children with extended family members or others that have a significant relationship with the child. Kinship care placements tend to be long term and in many circumstances lead to permanent placements such as adoption or private guardianship.

Child and Family Services Authorities Highlights

- The High Risk Youth Project provides services to high risk youth within the Edmonton and Area CFSA. It provides youth with a system of support that integrates services from community agencies and government programs. Strong collaboration among service providers creates a safety net, which demonstrates to youth that co-operation is the model way to interact. Staff from the project share successful strategies for supporting high risk youth with other CFSA staff.
- In Southeast Alberta CFSA, the Medicine Hat Youth Action Society is leading the development of a youth network for Medicine Hat. The youth network will co-ordinate and maintain relationships with youth, explore and develop solutions to issues impacting youth and help establish a communication link among youth, the Southeast Alberta CFSA and other youth groups. It will also provide the CFSA board and staff with advice on youth issues.

Outcomes and Performance Measures

Expected outcomes:

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

PERFORMANCE MEASURE 3A

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

This measure describes the proportion of children receiving child protective services who experience an injury that results in hospitalization⁴ or in death, regardless of the type of injury (for example, accidental or self-inflicted injuries). Children receiving child protective services may be in the care of their parents or the Director of the *Child, Youth and Family Enhancement Act*.

In 2007-08, 0.1 per cent of children (11 children) suffered an injury that resulted in hospitalization or death while receiving protective services. Therefore, the target was not met and the result for this measure is similar to last year's. Five of the 11 children died. One child died as the result of accidental drowning, one died as the result of injuries sustained in a motor vehicle accident, two of the deaths were self-inflicted and the fifth child died due to accidental suffocation. The remaining six children required hospitalization as a result of injuries caused by a household accident, a fall, a motor vehicle accident, two assaults and an accidental drug overdose.

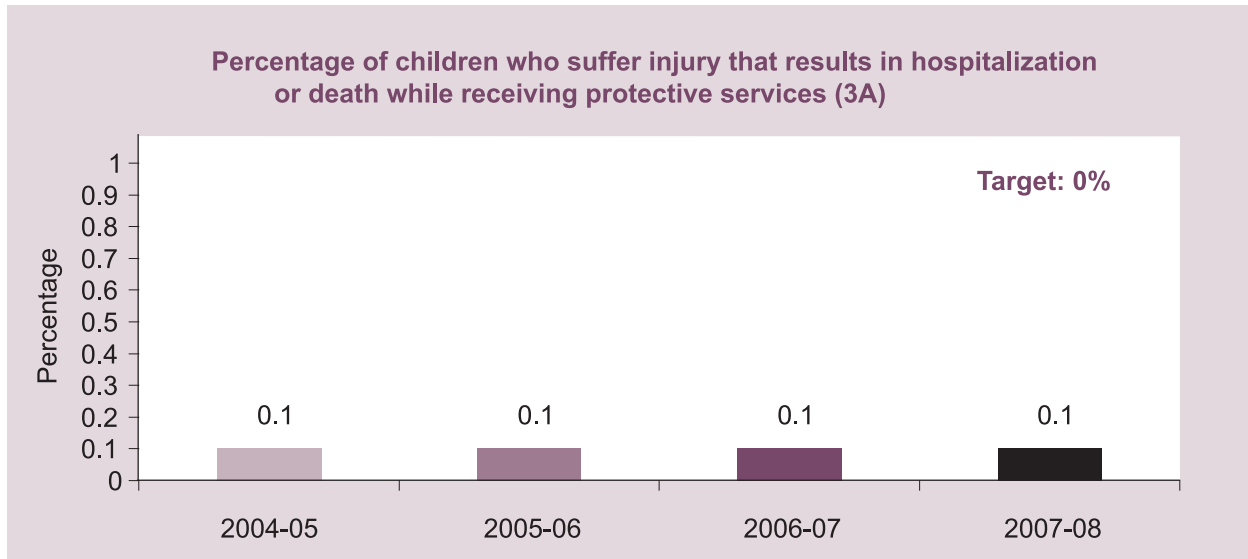
The Ministry has set the target at zero, the highest possible standard for practice, and is committed to continuous improvement to make sure the children in its care are safe. However, as every parent knows, despite our best efforts to protect our children, at times, they can still get hurt. In Canada, more children die annually from injuries than from all childhood diseases combined. Falls are the number one cause of child injury in the general child population and motor vehicle collisions are the leading cause of child deaths caused by injuries. For youth between the ages of 15 and 19, self-inflicted injuries are the second highest reason for hospital admissions⁵. Overall, the Ministry's results for this measure are lower than those for the general child population in Alberta (0.47 per cent)⁶.

The Ministry continues to take actions to improve results for this measure. Recommendations from each special case review conducted as a result of a serious injury or death of a child in the care of the Director may be implemented as changes to policy or practice. The Ministry has also enhanced the training curriculum for both foster parents and caseworkers for suicide and injury prevention strategies.

⁴ Hospitalization refers to a child receiving medical intervention that required an overnight stay in a hospital.

⁵ Alberta Centre for Injury Control and Research, *Children and Youth Injuries in Alberta*.

⁶ Compared to statistics gathered from Alberta Health and Wellness, Alberta Centre for Injury Control and Research, Injury database, July, 2008. Unpublished.



Data Source: Child Youth Information Module (CYIM), Alberta Children's Services

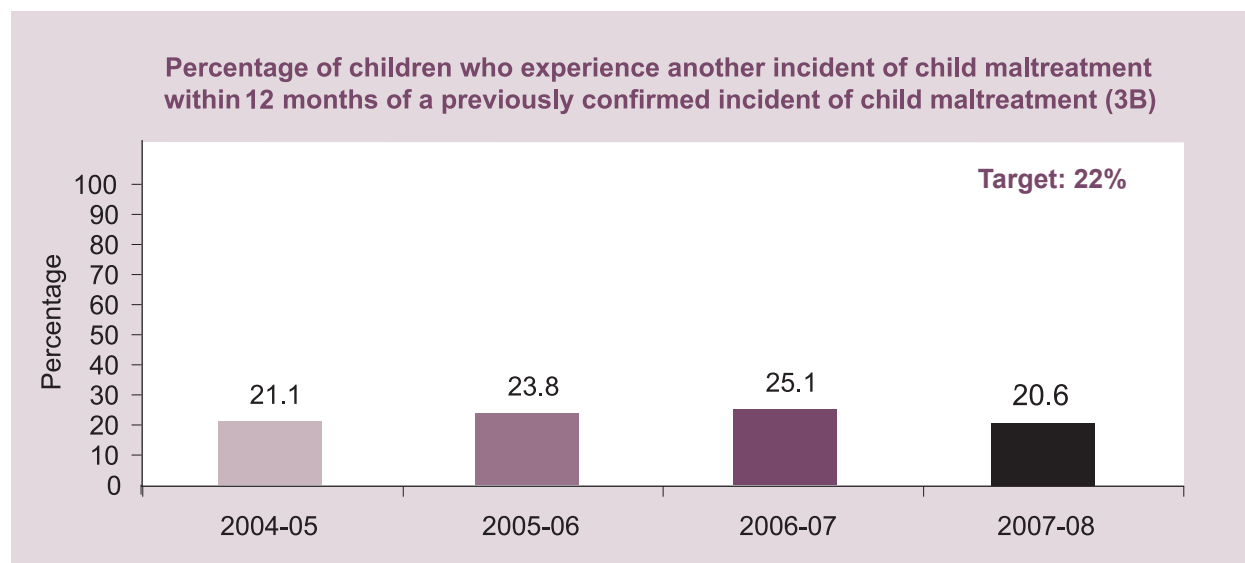
PERFORMANCE MEASURE 3B

Percentage of children who experience another incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment

This measure describes the proportion of children who experience at least one new incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment. Maltreatment involves a wide range of situations, from parents being unable, for any reason, to provide the necessities of life to incidents of physical abuse and emotional injury, including exposure to domestic violence. For the purposes of this measure, the new incident of maltreatment does not have to be related to the concern in the original incident of maltreatment, although it may be.

In 2007-08, 20.6 per cent of children who experienced an incident of maltreatment had experienced a previous incident within 12 months prior. This result exceeded the target, set at 22 per cent, and has improved over the result for 2006-07, which was 25.1 per cent.

The Casework Practice Model places an emphasis on thorough assessment of the needs of children, youth and families. This thorough assessment ensures that issues are identified earlier and that interventions and services address the assessed needs and focus on underlying issues. This approach helps to build capacity and reduce the need for further involvement. Our involvement with families strongly encourages them to re-engage with us if they need additional help with an issue or encounter new challenges.



Data Source: Child Youth Information Module (CYIM), Alberta Children's Services

PERFORMANCE MEASURE 3C

Number of children, in the permanent care⁷ of the Director, who are adopted

And

PERFORMANCE MEASURE 3D

Number of children, in the permanent care⁷ of the Director, for whom Private Guardianship Orders are granted

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

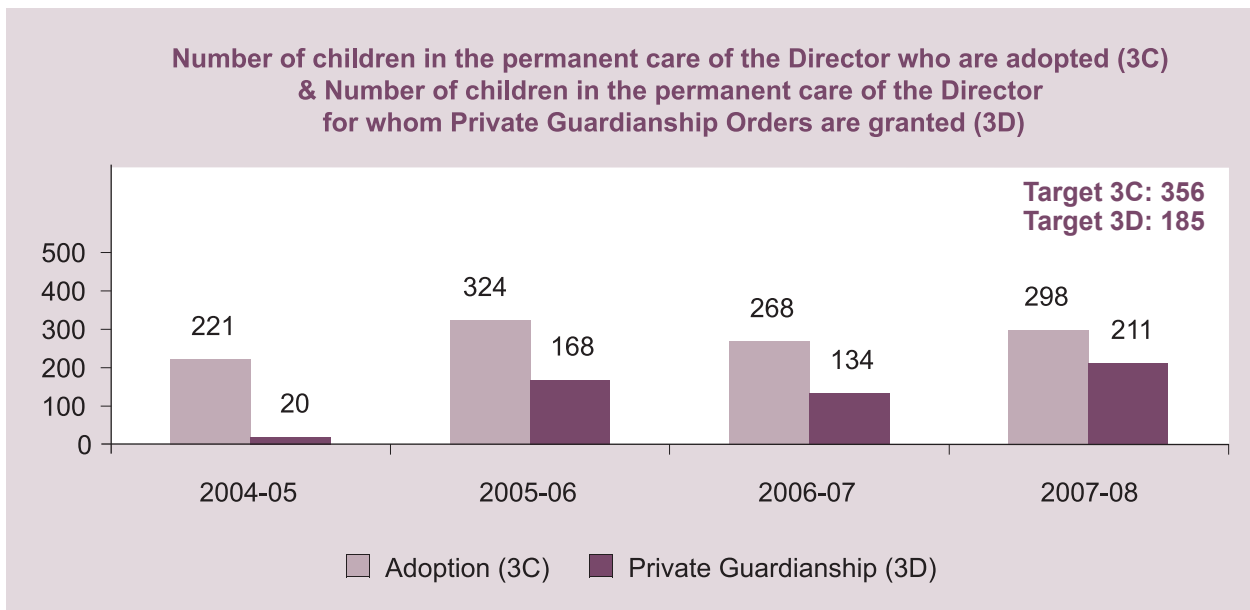
Supporting, engaging and building capacity in families to address their issues and needs is a focus of intervention services. There are, however, situations where it becomes necessary to permanently remove children from their natural family to ensure they are safe and protected. Although reunification with the natural family is always the desired outcome, there are circumstances that prevent this from occurring for some children.

The philosophy of Children's Services is that every child should have a permanent family, and when that cannot be with the natural family, alternative permanent familial homes are sought. These performance measures are indicators of the Ministry's ability to place children, who are in the permanent care of the Director of the *Child, Youth and Family Enhancement Act*, in stable, long-term, adoptive or private guardianship homes. The permanency plan and placement will vary depending upon the age and needs of a child.

⁷ Permanent care refers to children in the following legal authorities under the *Child, Youth and Family Enhancement Act*: Permanent Guardianship Orders, Permanent Guardianship Agreements.

In 2007-08, 509 children were placed in permanent homes; 298 under adoption orders and 211 under private guardianship orders. The number of private guardianship orders granted in 2007-08 exceeded the target (185) while the number of adoptions granted fell short of the target (356). However, it is promising to note that the number of adoptions increased by 30 from 2006-07.

In 2005-06, the Supports for Permanency program was enhanced to ensure the families who were providing permanent familial homes to children were receiving the supports and services needed to ensure that permanency is supported and maintained. These changes resulted in a significant increase in the number of adoption orders in 2005-06, as well as an increase in private guardianship orders. The number of adoptions has increased steadily by about 10 per cent per year since then.



Data Source: Child Youth Information Module (CYIM), Alberta Children's Services

Core Business Three:

Promoting healthy communities for children, youth and families



GOAL 4:

The well-being and self-reliance of Aboriginal children, youth families and communities will be promoted, supported and comparable to that of other Albertans

Strategies

- 4.1. Enhance accountability reporting on program and service delivery through Delegated First Nations Agencies.
- 4.2. Continue to work with Métis Settlements, Region 10 Child and Family Services Authority and Métis Nation of Alberta Association to better meet the needs of Métis children, youth and families.
- 4.3. Implement activities to promote permanency prescribed by the *Permanency Planning for Aboriginal Children Report*.
- 4.4. Continue the joint table meetings with Child and Family Services Authorities and Delegated First Nations Agencies to address common and ongoing issues related to meeting the needs of Aboriginal children, youth and families.

Accomplishments

- Worked in partnership with DFNAs and Indian and Northern Affairs Canada to negotiate an appropriate funding model for the delivery of child intervention services on reserve, culminating in an historic agreement to provide additional federal funding over the next five years for the delivery of prevention, early intervention and enhancement services for First Nations children and youth living on-reserve.
- Helped DFNAs complete business plans and meet requirements to receive new family enhancement funding. All DFNAs received this additional funding, which will enable them to provide services sooner to children and families who are at risk, and to intervene before the situation worsens.
- Promoted and supported key working relationships and partnerships with the Ministry, CFSAs and DFNAs to improve outcomes for Aboriginal children and youth. Completed annual file reviews for 18 DFNAs and supported the development of work plans to address gaps and improve intervention services for Aboriginal children and youth.
- In collaboration with the Métis Nation of Alberta Association, implemented a provincial action plan on Métis people's participation and involvement in programs, policies and standards that affect Métis children.

- Successfully negotiated *Child, Youth and Family Enhancement Act* agreements with DFNAs to support First Nations communities as they govern, deliver and evaluate child intervention and permanency planning services for Aboriginal children and youth.
- Continued to implement the Aboriginal Permanency Planning initiative, aimed at increasing the number of Aboriginal children and youth placed in permanent, nurturing and culturally appropriate homes. In 2007-08, the number of Aboriginal children and youth experiencing permanency through adoption and private guardianship placements increased by 28 per cent over the previous year. Key actions included:
 - Conducting file reviews for Aboriginal children 12 years and under in permanent care;
 - Establishing Aboriginal Specialist positions in eight CFSA's;
 - Enhancing caseworker training to emphasize importance of maintaining cultural and community connections;
 - Establishing a policy on 'meaningful involvement' in case planning for Aboriginal children; and
 - Implementing videoconferencing to increase involvement of DFNAs in case planning.

Child and Family Services Authorities Highlights

- Southwest Alberta CFSA launched a new Blackfoot Culture and Language program. This unique program introduces Blood Tribe Permanent Guardianship Order (PGO) children in foster homes to the Blackfoot culture. The program facilitator and the children's foster parents or caregivers introduce children to the Blackfoot language and culture through interactive activities.
- In response to a demand for services for Aboriginal children and families in Red Deer and area, the Central Alberta CFSA collaborated with local Elders, the Red Deer Child Care Centre, Red Deer College and Red Deer Public School Division to develop an Aboriginal Head Start Demonstration Centre. The Centre will provide programming that focuses on the early childhood development needs of Aboriginal children. It will officially open next year and will operate under the guidance of a community advisory committee.
- Both the Central Alberta CFSA and East Central Alberta CFSA audited all case files with First Nations status in 2007-08. Following this audit, supervisors agreed to document CFSA and Band or Designate involvement and collaboration for all Aboriginal children. This collaboration and documentation is now a CFSA standard of practice, which should ensure Aboriginal children retain contact with their communities while in care.
- Southeast Alberta CFSA facilitated co-operation between Miywasin Society of Aboriginal Services and the Medicine Hat Parent Link Centre to explore opportunities for Miywasin to assist the centre in developing Aboriginal cultural awareness programming. The partnership will also enable Miywasin program staff to access and use Birch Bark Basket early intervention programming tools at the Miywasin Centre.

Outcomes and Performance Measures

Expected outcomes:

- Aboriginal communities have increased support to help meet the needs of their children, youth and families.
- There are a reduced number of Aboriginal children represented in the child intervention caseload.
- Aboriginal children, youth and families receive culturally appropriate services.

PERFORMANCE MEASURE 4A

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

This measure describes the proportion of Aboriginal children receiving child protective services who experience an injury that results in hospitalization⁸ or death, regardless of the type of injury (for example, accidental injuries or self-inflicted injuries). Children receiving child protective services may be in the care of their parents or the Director of the *Child, Youth and Family Enhancement Act*.

In 2007-08, 0.1 per cent of Aboriginal children (six children) suffered an injury that resulted in hospitalization or in death while receiving protective services. Therefore, the target was not met. These six children comprised approximately half of the 11 children described in performance measure 3A under Goal Three. Three of the six children died; two of the deaths were self-inflicted and the third was due to an accidental drowning. The remaining three Aboriginal children were hospitalized for injuries caused by a household accident, a motor vehicle accident and an accidental drug overdose.

The result for this measure is the same as last year's result of 0.1 per cent. This result is equal to the overall rate for all children receiving protective services and it is lower than the rate of serious injury for the general child population in Alberta (0.47 per cent)⁹.

The Ministry sets the highest possible standard for practice and therefore sets the target at zero per cent. The Ministry continues to take actions to improve results for this measure. Recommendations from each special case review conducted as a result of a serious injury or death of a child in the care of the Director may be implemented as changes to policy and or practice. The Ministry has also enhanced the training curriculum for both foster parents and caseworkers for suicide and injury prevention strategies. In addition to the actions taken by the Ministry in every situation where a child in the care of the Director is seriously injured or dies, the Ministry took specific actions to improve intervention services and outcomes for Aboriginal children, which included collaborative partnerships with DFNAs, and improved access to Aboriginal specialists for CFSAs providing services for Aboriginal children.

This is the last year this measure will be reported as a separate measure. It is a subset of the information contained in measure 3A and will be reported as part of that measure.

⁸ Hospitalization refers to a child receiving medical intervention that required an overnight stay in a hospital.

⁹ Compared to statistics gathered from Alberta Health and Wellness, Alberta Centre for Injury Control and Research. Injury database, July, 2008. Unpublished.

Percentage of Aboriginal children who suffer injury that results in hospitalization or death while receiving protective services (4A)



Data Source: Child Youth Information Module (CYIM), Alberta Children's Services

PERFORMANCE MEASURE 4B

Percentage of Aboriginal children in foster care/kinship care who are placed¹⁰ with Aboriginal families

This measure is an indicator of Aboriginal children receiving culturally appropriate services, through foster care or kinship care (with extended family members or others who have a significant relationship with the child).

In 2007-08, 38.5 per cent of Aboriginal children in foster care or kinship care were placed with Aboriginal families¹¹. This result falls slightly below the target of 40 per cent; however, results have been gradually improving since 2005-06. Several factors may have influenced the result this year. For instance, the number of foster homes has declined over the last three years. Foster parents are committed to the care and nurturing of children, and many have adopted the children in their home and are no longer interested in fostering. As well, foster parents are getting older and retiring from their employment as well as from fostering. At the same time, the number of kinship care homes has increased over the last three years. Kinship care is often the preferred option for placement, particularly for Aboriginal families, given the pre-existing relationship between the child and caregiver. The Ministry is investing in the development and support of a recruitment campaign for additional foster parents and Aboriginal caregivers.

¹⁰Placement refers to the primary location (parental or extended family home, adoptive home, foster home, group home or treatment centre) in which a child or youth receiving intervention services resides. Placements can range from one day to an indefinite period of time.

¹¹The data source used for this measure provides information on a child's racial origin. Approximately 5.7 per cent of 2007-08 child protection cases in the CYIM did not specify racial origin. Therefore, these results may not include all Aboriginal children receiving child protection services. For this measure, a foster care family is determined to be Aboriginal when the foster care home is denoted as Aboriginal or the caregiver's racial origin is identified as Aboriginal in CYIM. For approximately 8.7 per cent of foster homes in 2007-08, it was not known if the foster care family is Aboriginal or non-Aboriginal. Therefore, the percentage of Aboriginal children in foster care who are placed with Aboriginal families may be slightly different than reported.



Data Source: Child Youth Information Module (CYIM), Alberta Children's Services

GOAL 5:

Communities will have the capacity for shared planning and delivery of services that promote the well-being of children, youth and families

Strategies

- 5.1. Strengthen the provision of strategic leadership to cross-ministry work that supports children and youth in becoming caring, contributing and self-reliant citizens.
- 5.2. Develop and enhance the capacity of Child and Family Services Authority Boards to effectively govern the regional authorities.
- 5.3. Promote policy relevant research and effective practices to improve the outcomes for children, youth, families and communities through collaboration with cross-jurisdictional partners, national partners, universities, other ministries, the community and the Alberta Centre for Child, Family and Community Research.
- 5.4. Support the continuing operations of Alberta's Promise, a public-private partnership dedicated to finding unrealized resources leading to new and better ways of working together to give children the opportunity to lead happy, healthy and successful lives.
- 5.5. Support community engagement strategies to enhance collaborative, co-ordinated responses to family violence and bullying, including through the Community Incentive Fund and the Aboriginal Engagement Strategy.
- 5.6. Facilitate, promote and recognize youth engagement by supporting youth forums, youth networks and youth consultations.
- 5.7. Support the work of the Youth Secretariat and Youth Advisory Panel to identify and address issues facing youth.
- 5.8. Build on the World Conference on Prevention of Family Violence report recommendations and develop a research partnership to provide an evidence base to inform policy and program development.

Accomplishments

- Supported the national cross-ministry Aboriginal Youth Suicide Prevention Strategy (AYSPS), through the Urban Aboriginal Calgary Suicide Prevention committee, to train 30 Aboriginal trainers in the Applied Suicide Intervention Skills Training program.
- Partnered with federal groups (as part of AYSPS) to host Sharing Our Stories of Hope and draft a resource highlighting promising practices in suicide prevention.
- Held a showcase of innovative speech and language therapy practices.
- Conducted information sessions in nine CFSA's on the Transition Planning Protocol for Youth with Disabilities. The final information session will take place in Grande Prairie in May 2008.
- Created a research framework, which outlines a structured and transparent process for planning and undertaking priority research projects and for using research findings. The framework led to the first multi-year research plan.
- Set up the Child and Youth Data Lab, one of the first research facilities in the world to focus exclusively on children, youth and families. The lab will gather information government needs to make evidence-based decisions on programs, services and legislation that help to improve the quality of life for children and youth across Alberta. Researchers will have the ability to track a group of youth over a period of time as it moves through government programs, and then identify what services the group needs.
- Signed a memorandum of understanding with the Alberta Centre for Child, Family and Community Research, which manages the Child and Youth Data Lab, and with six of the seven participating ministries.
- Developed an Innovation and Improvement Framework to assist CFSA's and DFNA's to improve practice and service delivery. Through a community practice model, the framework provides staff with opportunities to actively engage in ongoing learning, facilitating both systemic and continuous quality improvement.
- Trained and supported Youth Forum planning committees in Parkland County, Boyle, Cold Lake, Grande Prairie, High Level and the Métis Settlements to hold a Youth Forum in their community. Youth Forums are designed by youth, for youth. A total of 357 youth and community partners attended the forums to discuss youth related issues in their communities.
- Selected 18 members for the Youth Secretariat's Youth Advisory Panel. This year the Panel focused on issues related to recruitment and retention of mentors, youth emergency shelters and youth apathy.
- Led youth consultations in partnership with the Ministry of Education regarding high school completion and youth resiliency.
- Provided \$3 million through the Community Incentive Fund to 87 projects across Alberta to take local action on family violence and bullying. 40 of these projects will provide services to Aboriginal and Métis communities. The Ministry also worked with the provincial Aboriginal Advisory Committee to identify ways to enhance supports to Aboriginal communities impacted by family violence.
- Provided an additional \$2 million in community-based grants to support family violence victim services and community co-ordination across Alberta, including Calgary, Camrose, Edmonton, Fort McMurray, Grande Prairie, Medicine Hat, Red Deer and Whitecourt.

- Recruited a Family Violence and Bullying Diversity Co-ordinator to work with Aboriginal communities and ethno-cultural communities impacted by family violence and bullying to provide specialized services and supports.
- Recruited eight new members for Alberta's Prevention of Bullying Youth Committee to provide leadership and advice in addressing bullying. Youth Committee members were actively involved in the November 2007 launch of Family Violence Prevention Month and the launch of Phase III of the bullying prevention strategy. In addition, youth members assisted in delivering bullying-prevention presentations to over 1,300 participants.
- Piloted the internationally renowned Triple Positive Parenting Program, in 20 Parent Link Centres in three CFSA's. This multi-level program promotes positive, caring relationships between parents and their children and helps parents learn effective management strategies for dealing with a variety of childhood developmental and behavioural issues.

Child and Family Services Authorities Highlights

- In Edmonton and Area CFSA, a series of six community development workshops were made available to staff, FCSS and community agencies. The workshops provided information, skills and tools necessary for working on projects that require the resources of multiple service providers. This series was well received and similar sessions will be offered again in 2008-09.
- Métis Settlements CFSA recruited youth representatives from individual Settlements to form a Youth Network. These youth met a number of times over the year to discuss issues facing them in their communities. The group took on the challenge of planning and organizing the first annual YOUth KNOWledge forum. The forum was held in Sundre at the end of March 2008 and brought together 109 youth from the Settlements, along with CFSA staff mentors and three members of the Children's Services Youth Strategies Branch. Guests included the Hobbema Cadets who were the honour guard for the Elders and the guest speakers. The youth facilitators guided the groups through discussions on issues such as bullying, suicide, drug and alcohol use and other high-risk behaviours.
- Central Alberta CFSA implemented a new structure to manage the Community Partnership Enhancement Fund and related initiatives in 2007-08. This new structure has the flexibility to bring all FCSS directors and the CFSA Intervention Services management team to the same table to share planning, administer the Community Partnership Enhancement Fund and support training and professional or community development opportunities throughout the region. This partnership resulted in improved outcomes for vulnerable children and families.

Outcomes and Performance Measures

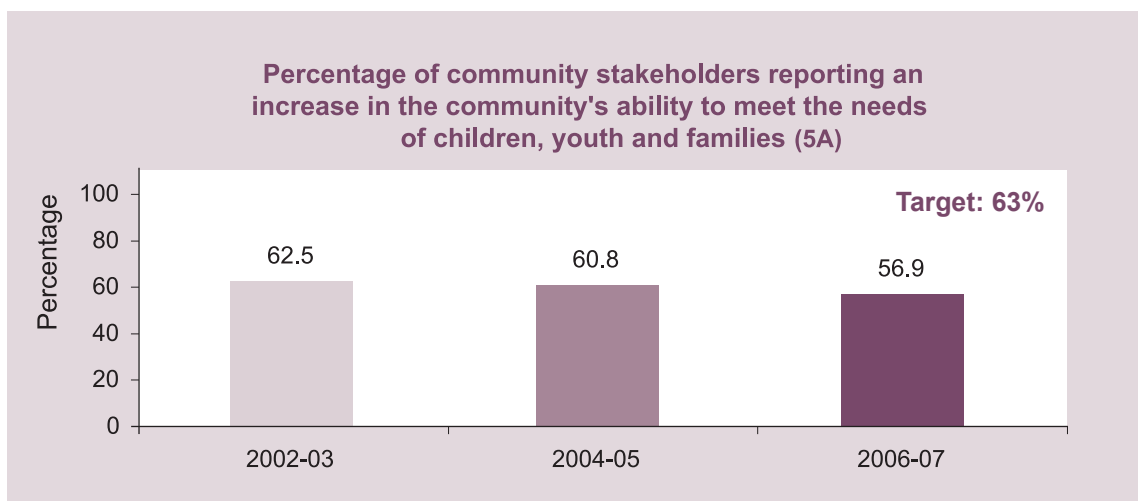
Expected outcomes:

- Communities are responsive to issues/needs faced by children, youth and families.
- Children, youth and families participate in decisions that affect them.

PERFORMANCE MEASURE 5A

Percentage of community stakeholders reporting an increase in the community's ability to meet the needs of children, youth and families

Children's Services has conducted a survey of community stakeholders (organizations such as school boards, other government ministries, AADAC, municipal government agencies and other community organizations) every two years. The last survey was conducted in 2006-07. In total, 56.9 per cent of stakeholders reported an increase in the community's ability to meet the needs of children, youth and families. This survey will not be conducted again. A new survey is being developed that will provide performance information that is more directly related to the Ministry's new Community Capacity Development Framework for CFSAAs.



Data source: Community Partners Survey, Alberta Children's Services

PERFORMANCE MEASURE 5B

Percentage of children and youth who received family enhancement services and afterwards did not require protective services

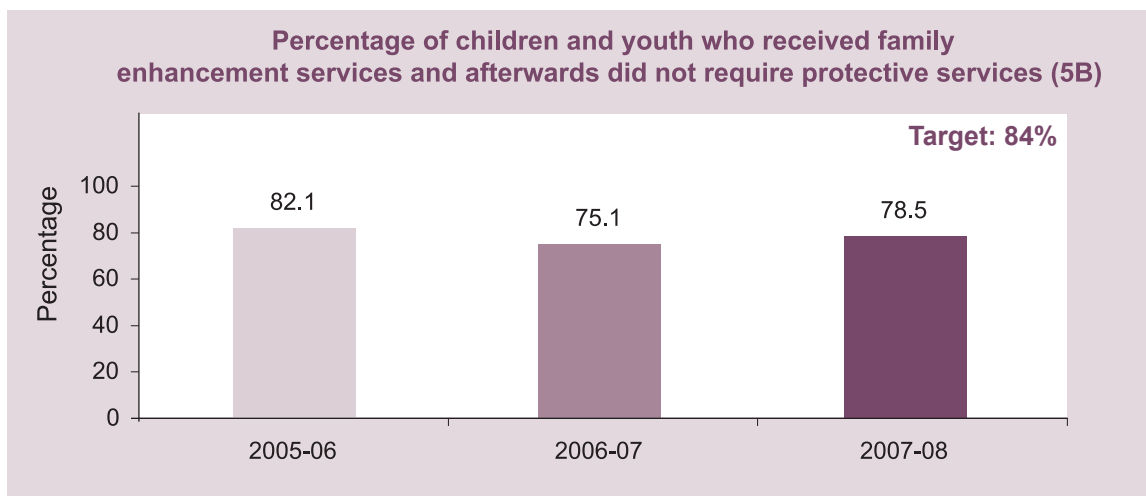
This measure addresses the differential response outlined in the *Child Youth and Family Enhancement Act*. When the family is willing and believes it has the capacity to address the identified concerns, short-term, solution-focused intervention can be less disruptive. Differential response allows the Ministry to provide these less disruptive family enhancement services. This intervention approach helps families address concerns while they are more manageable and decreases the likelihood of protective services being needed in the future.

Children who may be in need of intervention services are identified from concerns raised by the community. Additional information is gathered to determine the validity of the concern, assess the current situation and plan for how best to address the concern. This measure reflects the number of families whose needs were met through family enhancement services and who did not subsequently require child protection services.

In 2007-08, 78.5 per cent of families who received family enhancement services did not require child protection services within one year. Although this result falls below the target of 84 per cent, it has increased from 2006-07 by more than three per cent. A substantial number of families did not need child protection services after receiving family enhancement services.

The intent of family enhancement services is to provide short-term intensive supports to children, youth and families before they reach a crisis and to connect them to community-based services for ongoing supports. The demand for services and supports has increased across the province. This demand, coupled with challenges in recruiting and retaining qualified staff in a tight labour market, can result in delays in accessing community services and supports.

To improve results for this measure, the Ministry is implementing the Casework Practice Model. Developed from leading practices in social work, the Model places the child at the centre of a network of relations and support. The Model focuses on in-depth assessment, increased collaboration with families and communities to build from existing strengths, and engagement of all stakeholders to make decisions that result in the best outcomes for the child. Building up from the foundation of the *Child, Youth and Family Enhancement Act*, the Casework Practice Model supports intervening earlier in cases and turning to the wisdom of the community, particularly in Métis and First Nations communities, to help children settle into safe, loving and permanent homes sooner.



Data source: Child Youth Information Module (CYIM), Alberta Children's Services

Ministry-wide Corporate Objectives:

Ministry-wide corporate objectives supported goal achievement across all three Ministry core businesses. Program Quality and Standards, Prevention of Family Violence and Bullying and Community Strategy and Supports Divisions focused on policy and program development to support community-based program delivery and contribute to children and youth in reaching their potential. Ministry Support Services provided strategic support to all areas of the Ministry in planning, reporting, measurement, human resource and financial management, information management and technology, legal services and intergovernmental initiatives. In 2007-08, the division:

- Focused on longer-term strategic planning by connecting with a range of stakeholders, including CFSA board members, regional staff and community partners to identify future trends, clarify strategic priorities and develop performance indicators.
- Developed and co-ordinated Ministry human resources planning to ensure organizational capacity to meet service delivery requirements, including staff health and safety. Reviewed and updated staff development curriculum and offered a range of workshops and training events throughout the province.
- Collaborated with CFSAs and department staff to lead the development, communication and implementation of processes to improve business capacity to support the Ministry's strategic requirements.
- Re-engineered budget planning, forecasting and reporting, and implemented internal controls to enhance accountability, decision-making, the use of financial resources and the transparency of departmental grants. Worked closely with Treasury Board and CFSAs to ensure accurate forecasting, effective distribution of program funding and accountability for spending. Additionally, worked with the Ministries of Seniors and Community Supports, Health and Wellness and Treasury Board to improve staff recruitment and retention for contracted service providers. An additional \$10 million was granted to contractors in 2007-08 to address this issue.
- Developed information technology strategies that supported greater integration of technology into the day-to-day business processes and helped Ministry staff take advantage of the strategic value of information. Worked with the Ministry of Employment, Industry and Immigration to support a cross-ministry initiative to establish the Alberta Government Office of Statistics and Information (OSI). Worked with ministry partners to implement a common case management software. Continued to work on an information technology application to support a new Casework Practice Model for child intervention services.
- Provided leadership on international, national and inter-provincial initiatives to promote the safety, well-being and development of children, youth and families. Negotiated with the federal government to ensure that new federal transfers for child care space creation took a made-in-Alberta approach to our child care needs.
- Helped design a new approach to child intervention services and federal funding on-reserve by working in partnership with First Nations in Alberta and the federal government.
- Supported the Ministry's requirement for legal services, identified legal risks and responded to legal issues, legislative needs and legislative development.
- Developed a regulatory framework to support the *Child Care Licensing Act*, participated with other ministries and the federal government in negotiations regarding the Blood Tribe Agreement and led a review of the *Child, Youth and Family Enhancement Act* that provided several creative and innovative legislative solutions.

Financial Analysis

Results of Operations

The Ministry of Children's Services managed its expenses within the 2007-08 authorized budget of \$991.6 million and ended the year with a \$5.5 million or 0.55 per cent surplus. Included in the authorized budget is a \$10 million supplementary estimate to provide additional funding to contracted agencies. The Ministry implemented a comprehensive child care strategy to help address child care and out-of-school care space issues. In addition, the Ministry began implementing the FASD 10-year Strategic Plan with partnering ministries to enhance access to programs and services for Albertans affected by FASD and to reduce the incidence of this preventable disability.

Revenues

The Ministry of Children's Services 2007-08 consolidated revenue of \$336.4 million was \$30.7 million higher than in the previous year. The increase was primarily due to increases in Canada Social Transfers. These are funds provided by the federal government to support social programs as well as the creation of child care spaces. The increase was partially offset by the cancellation of a portion of funding for the Early Learning and Child Care program.

Comparison of 2007-08 Budget to 2007-08 Actuals

SUMMARY:

In 2007-08, the Ministry was provided with an authorized budget of \$991.6 million and ended the year with a budget surplus of \$5.5 million or 0.55 per cent. The budget surplus was primarily due to lower than expected use of child care subsidy programs. This was partially offset by pressures in Family Support for Children with Disabilities Programs, Parenting Resources Initiatives, Child Intervention and Foster Care Support programs.

Child Care

The child care program is intended to promote the development and well-being of children and support parents in accessing quality, affordable child care services.

The child care budget was under-spent by \$17.9 million, due to a lower than anticipated uptake in available subsidies. It may be that Alberta's families experienced increases in income that exceeded the amount needed for full or partial subsidies. Lower uptake on professional development funding for child care staff and lower use of the stay-at-home parent program also contributed to the under expenditure. As a result, the Ministry obtained approval to redirect funds to other priority programs such as Family Support for Children with Disabilities, Parenting Resources Initiatives, Child Intervention and Foster Care Support.

Prevention of Family Violence and Bullying

The program is intended to prevent and support Albertans affected by family violence and bullying. Funding is provided to women's emergency shelters; programming in second stage housing projects and fee-for-service agreements with First Nations shelters; sexual assault centres across the province; support for co-ordinated collaborative community-based family violence and bullying initiatives; and provincial public awareness and education initiatives.

Program expenses were \$2.1 million under budget. During 2006-07, funding was advanced to ensure stability in client service and staffing and to successfully co-ordinate collaborative community projects to prevent and respond to family violence and bullying. This resulted in this one-time surplus in 2007-08.

Parenting Resources Initiative

The program provides two key services: Parent Link Centres and home visitation. Parent Link Centres provide support to parents to help their children develop and arrive at school ready to learn. At a Parent Link Centre, parents can access information about community services; receive parent skills training; obtain referrals; meet other parents and families; access pre-school screening for infants and toddlers; and take part in quality learning activities with their children. The home visitation service allows vulnerable families to receive in-home training in parenting skills support and awareness of community sources for parenting skills information.

Program expenses were \$4.3 million over budget to provide additional funding to 46 existing Parent Link Centres to bring them to full funding as originally planned, and cost of living increases for staff salaries.

Child Intervention Services

Under the *Child, Youth and Family Enhancement Act* the Child Intervention program is split into two streams: Family Enhancement and Child Protection services. Family Enhancement services include supports provided to assist families in adequately caring for their children. Child Protection is defined specifically to include those services provided to a family when their child has entered out-of-home care or when the child is the subject of a supervision order.

In 2008, Early Intervention, which was a separate program under Core Business One was moved and merged with Child Intervention in Core Business Two. The Early Intervention program is designed to develop and implement early childhood development programming across Alberta. The program's mandate includes, but is not limited to, enhancing home visiting, parenting skills development, parent groups on infant bonding and child development and parenting resource libraries through grants. In addition, Foster Care Support was split from Child Intervention Services and became a separate program in Core Business 2 in 2007-08.

An increase in demand for services resulted in a \$1.9 million over-expenditure in the Child Intervention program. The over-expenditure was to address an increased need for specialized services and a significant growth in the Supports for Permanency program caseload.

Foster Care Support

The goals of this program reflect the philosophy of the *Child, Youth and Family Enhancement Act*. The Alberta Foster Care program is based on the belief that a family unit and parent model is the most beneficial and desirable environment for raising a child. The Foster Care program provides safe and nurturing homes for children or youth whose birth family is unwilling or unable to assume full responsibility for them.

The program experienced a \$5.6 million over-expenditure mainly due to an increase in foster parent rates.

Community Initiatives

This program is intended to strengthen the capacity and self-reliance of communities for shared planning and delivery of services to meet the needs of children, youth, and families.

The program recorded an under-expenditure of \$1.1 million due to a delay in implementing some initiatives resulting from staff shortages.

Ministry and Program Support

Ministry Support Services provides strategic support to all areas of the Ministry in planning, reporting, measurement, human resource and financial management, information management and technology, legal services and intergovernmental initiatives.

Ministry and Program Support expenses were \$1.4 million over budget as a result of support and maintenance costs associated with developing the Intervention Services Information System (ISIS). The ISIS project will provide critical support to the Casework Practice Model.

Amortization Expense

An under-expenditure of \$0.8 million occurred because significant parts of the ISIS are still under development and not eligible for amortization in 2007-08.

Comparison of 2007-08 Expenses by Core Business

Core Business	2007-08 Authorized Budget (\$000)	2007-08 Actuals (\$000)	2006-07 Actuals (Restated) (\$000)
1. Promoting the development and well-being of children, youth and families.	379,627	364,491	335,088
2. Keeping children, youth and families safe and protected.	519,785	527,515	490,859
3. Promoting healthy communities for children, youth and families.	17,731	16,497	13,583
TOTAL MINISTRY EXPENSE ***	917,143	908,503	839,530

*** The amounts do not include Ministry or Program Support expenses

Comparison of 2007-08 Actuals to 2006-07 Comparable Actuals

- The increase of \$29.4 million in expenses for Core Business 1 is primarily due to higher spending in Child Care, FSCD, FCSS; Prevention of Family Violence and Bullying programs; parenting resources, and FASD Initiatives. Child Care expenses were higher due to expenses incurred to create more child care spaces and expenses for child care staff. The FSCD program expenses increased due to staff increases provided to contracted agencies. Also, increases to costs per case and caseloads resulting from increased awareness of the scope of services provided. FCSS program expenses increased due to the costs incurred to implement recommendations outlined in the FCSS review and partly due to Community Partnership Enhancement Funding. The Prevention of Family Violence and Bullying program expenses were higher than the previous year because funds were provided for recruitment and retention initiatives within women's emergency shelters. The Parenting Resources Initiatives increased expenses were related to the provision of top-up funding to existing Parent Link Centres, and cost of living adjustments for staff salaries. The increase recorded by the FASD Initiatives program was related to the implementation of the 10-year FASD cross-ministry initiative.
- The increase of \$36.7 million in expenses for Core Business 2 is due to higher spending in Child Intervention services and Foster Care Support programs. The Child Intervention services program expenses were greater due to increases in the Supports for Permanency and child protection (out-of-home care) caseloads; costs per case; and increases incurred to address staff recruitment and retention issues in contracted agencies. The increase recorded in the foster care support program was primarily due to an increase in foster care maintenance rates. In addition, costs were incurred to provide enhanced training, recruitment and supports for foster and kinship care homes.
- The increase of \$2.9 million in expenses for Core Business 3 is primarily due to higher spending in the Community Initiatives program. The increase was due to expenses incurred on various regional strategic planning initiatives to build Aboriginal services as well as to increased staff salaries.

Looking Forward

The Ministry will focus on several key priorities as it plans for the future and builds on past successes.

Alberta's strong economy brings advantages as well as challenges for families. Demand for quality, accessible child care is continuing due to the recent increases to Alberta's population through immigration and an increased birthrate. Children and Youth Services will implement strategies to improve recruitment and retention of child care professionals and identify strategies to support the creation of 14,000 new child care spaces by 2011, including out-of-school care, family day homes and day cares. The Ministry will improve the accessibility of child care services by providing low- and middle-income families with a subsidy to cover the costs for out-of-school child care. In addition, the Ministry will introduce new child care licensing regulations that will expand the range of child care options available to parents.

Children and Youth Services will continue to work with Justice and the Attorney General to implement the Crime Reduction and Safe Communities Initiative to provide a co-ordinated and collaborative response to crime. The Ministry will continue to play a leadership role on the Alberta Mentoring Partnership as a means of supporting youth, reducing crime and creating safer communities. The Ministry will expand provincial support for programs that aim to prevent family violence and support for families who are affected by family violence. It will increase programming to Aboriginal and immigrant communities and expand the use of multidisciplinary teams to address crises in communities.

To improve outcomes for children in care, Children and Youth Services will work with DFNAs to implement intervention and prevention services for children, youth and families living on reserve. In addition, the Ministry will fully operationalize the *Child, Youth and Family Enhancement Act* by implementing a Casework Practice Model that will ensure children in care and families in need of support receive appropriate and timely services before reaching a crisis.

Individuals living with FASD face a multitude of challenges and often require significant support in their day-to-day lives. Children and Youth Services will provide leadership to the development of a provincial response to FASD with a range of integrated services. In addition, the Ministry will implement service standards and strategies to enhance access and resource capacity to the FSCD program in rural communities.

Children and Youth Services will work with other ministries through the Alberta Centre for Child, Family and Community Research and the Child and Youth Data Lab to generate relevant research and information to support strategy and policy development and collaborative evidence-based decision-making.

Financial Information



MINISTRY OF CHILDREN'S SERVICES

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2008

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Auditor's Report

To the Members of the Legislative Assembly

I have audited the consolidated statement of financial position of the Ministry of Children's Services as at March 31, 2008 and the consolidated statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry'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 consolidated financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 16, 2008

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

MINISTRY OF CHILDREN'S SERVICES
CONSOLIDATED STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	<u>Budget</u> (Schedule 3)	<u>Actual</u>	<u>Actual</u>
Revenues (SCHEDULE 1)			
Internal Government Transfers	\$ 55,500	\$ 55,500	\$ 49,500
Transfers from Government of Canada	314,950	268,774	243,137
Other	9,275	12,178	13,106
	<u>379,725</u>	<u>336,452</u>	<u>305,743</u>
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 6)			
Voted (SCHEDULES 2, 3, AND 4)			
Promoting the development and well being of children, youth and families	376,811	364,491	335,384
Keeping children, youth and families safe and protected	512,601	527,515	489,589
Promoting healthy communities for children, youth and families	17,731	16,497	13,583
Support Services	62,962	63,592	58,477
	<u>970,105</u>	<u>972,095</u>	<u>897,033</u>
Statutory (Schedule 2 and 4)			
Valuation adjustments	1,500	-	-
Doubtful Accounts	-	2,122	2,324
Vacation Pay	-	1,906	1,192
	<u>1,500</u>	<u>4,028</u>	<u>3,516</u>
Total Expenses	<u>971,605</u>	<u>976,123</u>	<u>900,549</u>
Net Operating Results	<u>\$ (591,880)</u>	<u>\$ (639,671)</u>	<u>\$ (594,806)</u>

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

MINISTRY OF CHILDREN'S SERVICES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	2008	2007
	<u>Actual</u>	<u>Actual</u>
Assets		
Cash	\$ 60,543	\$ 55,780
Accounts Receivable (NOTE 3)	14,572	13,772
Prepaid Expenses	14	204
Advances	271	422
Tangible Capital Assets (NOTE 4)	15,358	7,383
	<u>\$ 90,758</u>	<u>\$ 77,561</u>
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	128,850	129,958
	<u>\$ 128,850</u>	<u>\$ 129,958</u>
Net Liabilities		
Net Liabilities at Beginning of Year	(52,397)	\$ (36,008)
Net Operating Results	(639,671)	(594,806)
Net Financing Provided from General Revenues	653,976	578,417
	<u>(38,092)</u>	<u>(52,397)</u>
	<u>\$ 90,758</u>	<u>\$ 77,561</u>

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

MINISTRY OF CHILDREN'S SERVICES
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ (639,671)	\$ (594,806)
Non-Cash Items:		
Amortization (Schedule 2)	2,027	2,022
Valuation Adjustments (NET) (Schedule 2)	4,028	3,516
	<u>(633,616)</u>	<u>(589,268)</u>
(Increase) in Accounts Receivable ^(a)	(2,922)	(7,200)
Decrease in Prepaid Expenses	190	5,350
Decrease (Increase) in Advances	151	(8)
(Decrease) Increase in Accounts Payable and Accrued Liabilities ^(a)	<u>(3,014)</u>	<u>32,552</u>
Cash Applied to Operating Transactions	<u>(639,211)</u>	<u>(558,574)</u>
Capital Transactions		
Cash Applied to Acquisition of Tangible Capital Assets	(10,002)	(2,221)
Financing Transactions		
Net Financing Provided from General Revenues	<u>653,976</u>	<u>578,417</u>
Increase in Cash	4,763	17,622
Cash, Beginning of Year	55,780	38,158
Cash, End of Year	<u><u>\$ 60,543</u></u>	<u><u>\$ 55,780</u></u>

^(a) Adjusted for valuation adjustment.

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

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These Financial Statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial Statements presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the Ministry.

(a) Reporting Entity

The reporting entity is the Ministry of Children's Services for which the Minister of Children's Services is accountable. The accounts of the Ministry and the Child and Family Services Authorities are consolidated. Revenue and expense transactions, capital and financing transactions and related assets and liability accounts between entities within the Ministry have been eliminated.

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

Revenues

All revenues are reported on the accrual basis of accounting.

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

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

(b) Basis of Financial Reporting

The accounts of the organizations listed in Note 1 above have been consolidated. Revenue and expense transactions, investing and financing transactions and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

Transfers from Government of Canada

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

Expenses

Directly Incurred

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

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

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

Incurred by Others

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 6.

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

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

(c) Basis of Financial Reporting

Assets

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals. Assets acquired by right are not included. Tangible capital assets are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Liabilities

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

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Accounts receivables recorded as \$14,572 and accounts payables and accrued liabilities of \$128,850 in these financial statements are subject to measurement uncertainty.

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 3 Accounts Receivable
(in thousands)

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 17,445	\$ 4,433	\$ 13,012	\$ 12,119
Refunds from Suppliers	1,560	-	1,560	1,653
	\$ 19,005	\$ 4,433	\$ 14,572	\$ 13,772

Accounts receivable are unsecured and non-interest bearing.

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 4 Tangible Capital Assets
 (in thousands)

	Computer Hardware and Equipment*			
	Software	2008 Total		2007 Total
Estimated Useful Life	5 years	5 years		
Historical Costs**				
Beginning of year	\$ 1,238	\$ 23,491	\$ 24,729	\$ 22,508
Additions	18	9,984	10,002	2,221
	<u>\$ 1,256</u>	<u>\$ 33,475</u>	<u>\$ 34,731</u>	<u>\$ 24,729</u>
Accumulated Amortization				
Beginning of year	\$ 938	\$ 16,408	\$ 17,346	\$ 15,324
Amortization Expense	62	1,965	2,027	2,022
	<u>\$ 1,000</u>	<u>\$ 18,373</u>	<u>\$ 19,373</u>	<u>\$ 17,346</u>
Net Book Value at March 31, 2008	<u>\$ 256</u>	<u>\$ 15,102</u>	<u>\$ 15,358</u>	
Net Book Value at March 31, 2007	<u>\$ 300</u>	<u>\$ 7,083</u>		<u>\$ 7,383</u>

* Equipment includes office equipment, furniture and other equipment.

** Historical costs include work-in-progress at March 31, 2008 totalling \$9,423 comprised of computer software (2007 - \$777).

Note 5 Accounts payable and accrued liabilities
 (in thousands)

	<u>2008</u>	<u>2007</u>
Trade	\$ 25,630	\$ 24,246
Government of Canada	54,571	50,094
Grants	24,475	33,156
Vacation Pay and Manpower	20,394	18,488
Other	3,780	3,974
	<u>\$ 128,850</u>	<u>\$ 129,958</u>

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 6 Contractual Obligations
(in thousands)

The Ministry contracts with organizations to provide specific programs and services for children under the care of the Ministry. The Ministry has contracts for specific programs and services for the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

At March 31, 2008 the Ministry has the following contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases	<u>\$ 1,060</u>	<u>\$ 2,152</u>

The Ministry leases certain vehicles under operating leases that expire at various dates to 2012. The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	<u>Long-term</u>
	<u>Leases</u>
2009	\$ 648
2010	346
2011	66
2012	-
	<u>\$ 1,060</u>

Note 7 Contingent Liabilities
(in thousands)

At March 31, 2008, the Ministry is a defendant in seventy-nine legal claims (2007 – seventy-six legal claims). Seventy-two of these claims have specified amounts totaling \$1,554,061 and the remaining seven have no specified amount (2007 – seventy-one claims with a specified amount of \$1,214,837 and five with no specified amount).

Included in the total legal claims are thirty-nine claims amounting to \$1,393,146 in which the Ministry has been jointly named with other entities. Fifty-six claims amounting to \$521,596 (2007 – fifty-three claims amounting to \$941,147) are covered by the Alberta Risk Management Fund.

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

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 8 Trust Funds Under Administration
(in thousands)

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

At March 31, 2008 the trust fund under administration is as follows:

	<u>2008</u>	<u>2007</u>
Child Resource Rebate Trust Fund	<u>\$ 1,365</u>	<u>\$ 1,481</u>

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

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

The Director will release the funds to the:

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

Note 9 Defined Benefit Plans
(in thousands)

The Ministry participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$16,363 for the year ended March 31, 2008 (2007- \$14,289).

At December 31, 2007, the Management Employees Pension Plan reported a deficiency of \$84,341 (2006 – \$6,765) and the Public Service Pension Plan reported a deficiency of \$92,070 (2006 surplus – \$153,024). At December 31, 2007, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$1,510 (2006 - \$3,698).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2008, the Bargaining Unit Plan reported an actuarial deficiency of \$6,319 (2007 surplus - \$153) and the Management, Opted Out and Excluded Plan had an actuarial surplus of \$7,874 (2007 - \$10,148). The expense for these two plans is limited to the employer's annual contributions for the year.

MINISTRY OF CHILDREN'S SERVICES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

MINISTRY OF CHILDREN'S SERVICES
REVENUES - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal Government Transfers			
Contribution from Lottery Fund	\$ 55,500	\$ 55,500	\$ 49,500
Transfers from Government of Canada			
Canada Social Transfer	\$ 256,040	201,927	\$ 137,217
Early Learning and Child Care	26,000	25,900	65,973
Services on First Nations Reserves	10,800	17,250	16,700
National Child Special Allowance	22,110	23,697	23,247
	<u>\$ 314,950</u>	<u>\$ 268,774</u>	<u>\$ 243,137</u>
Other Revenue			
Refunds of Expenditure			
First Nations Agencies Recoveries	4,490	1,110	1,465
Other Refunds	4,785	9,705	10,069
Other	-	1,363	1,572
	<u>9,275</u>	<u>12,178</u>	<u>13,106</u>
Total Revenues	<u><u>\$ 379,725</u></u>	<u><u>\$ 336,452</u></u>	<u><u>\$ 305,743</u></u>

MINISTRY OF CHILDREN'S SERVICES
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Voted:			
Salaries, Wages and Employee Benefits	\$ 206,669	\$ 220,320	\$ 199,589
Supplies and Services	541,018	459,980	424,876
Supplies and Services from Support Service Arrangements with Related Parties (a)	-	1,077	1,166
Grants	219,510	288,674	270,062
Financial Transactions and Other	107	137	148
Amortization of Capital Assets	2,801	2,027	2,022
Total Voted Expenses before Recoveries	<u>970,105</u>	<u>972,215</u>	<u>897,863</u>
Less Recovery from Support Service Arrangements with Related Parties (b)	-	(120)	(830)
	<u>\$ 970,105</u>	<u>\$ 972,095</u>	<u>\$ 897,033</u>
Statutory:			
Valuation Adjustments	1,500	-	-
Provision for Vacation Pay	-	1,906	1,192
Provision for Doubtful Accounts	-	2,122	2,324
Total Statutory Expenses	<u>\$ 1,500</u>	<u>\$ 4,028</u>	<u>\$ 3,516</u>

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

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

MINISTRY OF CHILDREN'S SERVICES
BUDGET - SCHEDULE 3
 YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)					
	2007-2008 Estimates	Adjustments	2007-2008 Budget	Authorized Supplementary ^(a)	2007-2008 Authorized Budget
Revenues					
Transfers from the Government of Canada	\$ 314,950	\$ -	\$ 314,950	\$ -	\$ 314,950
Internal Government Transfers	55,500	-	55,500	-	55,500
Other	9,275	-	9,275	-	9,275
	<u>379,725</u>	<u>-</u>	<u>379,725</u>	<u>-</u>	<u>379,725</u>
Expenses - Directly Incurred:					
Voted					
Promoting the Development and Well-Being of Children, Youth and Families	376,811	-	376,811	2,816	379,627
Keeping Children, Youth and Families Safe and Protected	512,601	-	512,601	7,184	519,785
Promoting Healthy Communities for Children, Youth and Families	17,731	-	17,731	-	17,731
Support Services	62,962	-	62,962	-	62,962
	<u>970,105</u>	<u>-</u>	<u>970,105</u>	<u>10,000</u>	<u>980,105</u>
Statutory					
Valuation Adjustments	1,500	-	1,500	-	1,500
	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Expenses	971,605	-	971,605	10,000	981,605
Net Operating Results	<u>\$ (591,880)</u>	<u>\$ -</u>	<u>\$ (591,880)</u>	<u>\$ (10,000)</u>	<u>\$ (601,880)</u>
Equipment /Inventory Purchases (EIP)	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>

(a) Supplementary Estimates were approved in November 2007 and April 2008. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

**MINISTRY OF CHILDREN'S SERVICES
COMPARISON OF EXPENSES - DIRECTLY INCURRED EIP AND CAPITAL INVESTMENT, STATUTORY EXPENSES
AND NON-BUDGETARY DISBURSEMENTS BY ELEMENT TO AUTHORIZED BUDGET - SCHEDULE 4
YEAR ENDED MARCH 31, 2008**

(in thousands)						
2007-2008 Estimates	Adjustments	2007-2008 Budget	Authorized Supplementary(a)	2007-2008 Authorized Budget	2007-2008 Actual Expense(b)	Unexpended (Over Expended)
\$		\$	\$	\$	\$	\$
134,036	-	134,036	-	134,036	116,073	17,963
101,768	-	101,768	1,500	103,268	104,904	(1,636)
71,161	-	71,161	-	71,161	71,106	55
36,203	-	36,203	900	37,103	35,008	2,095
18,094	-	18,094	416	18,510	22,768	(4,258)
9,549	-	9,549	-	9,549	9,256	293
6,000	-	6,000	-	6,000	5,376	624
376,811	-	376,811	2,816	379,627	364,491	15,136
Keeping Children, Youth and Families						
Safe and Protected						
356,623	-	356,623	7,184	363,807	365,666	(1,859)
143,874	-	143,874	-	143,874	149,518	(5,644)
6,203	-	6,203	-	6,203	6,148	55
5,901	-	5,901	-	5,901	6,183	(282)
512,601	-	512,601	7,184	519,785	527,515	(7,730)
Promoting Healthy Communities for Children, Youth and Families						
14,187	-	14,187	-	14,187	13,089	1,098
2,000	-	2,000	-	2,000	2,000	-
1,544	-	1,544	-	1,544	1,408	136
17,731	-	17,731	-	17,731	16,497	1,234
Support Services						
16,706	-	16,706	-	16,706	15,741	965
43,456	-	43,456	-	43,456	45,824	(2,368)
2,800	-	2,800	-	2,800	2,027	773
62,962	-	62,962	-	62,962	63,592	(630)
10,000	-	10,000	-	10,000	10,013	(13)
980,105	-	980,105	10,000	990,105	982,108	7,997
Statutory:						
1,500	-	1,500	-	1,500	4,028	(2,528)
\$ 981,605	\$ -	\$ 981,605	\$ 10,000	\$ 991,605	\$ 986,136	\$ 5,469

(a) Supplementary Estimates were approved in November 2007 and April 2008. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.

MINISTRY OF CHILDREN'S SERVICES
RELATED PARTY TRANSACTIONS - SCHEDULE 5
YEAR ENDED MARCH 31, 2008

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

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

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

	Other Entities	
	2008	2007
Revenues:		
Internal Government Transfers	\$ 55,500	\$ 49,500
Ministry of Education - School Divisions	2,825	3,605
Ministry of Seniors & Community Supports	136	-
Ministry of Alberta Justice & Attorney General	10	17
	\$ 58,471	\$ 53,122
Expenses:		
Ministry of Treasury Board (Service Alberta)	5,396	4,991
Ministry of Alberta Infrastructure and Transportation	1	1
Ministry of Finance	1,560	1,214
Ministry of Employment, Immigration and Industry	5	6
Ministry of Health & Wellness - Health Authorities	3,512	3,125
Ministry of Seniors & Community Supports	547	607
Ministry of Advanced Education and Technology - Post Secondary	1,051	801
Ministry of Education - School Divisions	6,099	3,203
Ministry of Solicitor General and Public Security	10	-
	\$ 18,181	\$ 13,948
Tangible Capital Assets		
Transferred to Ministry of Service Alberta	\$ -	\$ (695)
Receivable from/(payable to) (net)		
Ministry of Service Alberta	-	(695)
Ministry of Seniors and Community Supports	20	52
Ministry of Advanced Education and Technology	-	620
Ministry of Health & Wellness - Health Authorities	(14)	111
Ministry of Finance	230	-
Ministry of Education	1,138	-
Ministry of Solicitor General and Public Security	(10)	-
	\$ 1,364	\$ 88

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

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

	(IN THOUSANDS) Other Entities	
	2008	2007
Expenses (notional):		
Accommodation	\$ 22,973	19,894
Legal Services	4,289	3,581
Internal Audit	12	30
Administrative	9,179	8,877
Air Transportation	265	121
	\$ 36,718	\$ 32,503

**MINISTRY OF CHILDREN'S SERVICES
ALLOCATED COSTS - SCHEDULE 6
YEAR ENDED MARCH 31, 2008**

(IN THOUSANDS)

Program	2008										2007
	Expenses - Incurred by Others					Valuation Adjustments ⁽⁶⁾					Total Expenses
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Legal Services ⁽³⁾	Internal Audit	Air Transportation	Admin Costs ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Total Expenses		
Promoting the Development and Well-being of Children, Youth and Families	\$ 364,491	\$ 1,349	\$ 252	\$ 2	\$ 46	\$ 539	\$ 112	\$ -	\$ -	\$ 366,791	\$ 369,906
Keeping Children, Youth and Families Safe and Protected	527,515	18,916	3,532	4	81	7,558	1,569	-	-	559,175	486,486
Promoting Healthy Communities for Children, Youth and Families	16,497	616	115	1	22	246	51	-	-	17,548	14,491
Support Services	63,592	2,092	390	5	116	836	174	2,122	2,122	69,327	62,169
	\$ 972,095	\$ 22,973	\$ 4,289	\$ 12	\$ 265	\$ 9,179	\$ 1,906	\$ 2,122	\$ 2,122	\$ 1,012,841	\$ 933,052

- (1) Expenses as per the Statement of Operations, excluding valuation adjustments.
- (2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Ministry of Infrastructure and Transportation, represent the Ministry's buildings costs allocated by the number of employees per program.
- (3) Costs for Legal Services, which were paid by the Ministry of Justice and Attorney General, were allocated in proportion to the expenses incurred by each program.
- (4) Administrative costs represents human resource, finance, business and corporate services provided by the Department of Service Alberta for which no consideration was exchanged. Costs were allocated by the number of department employees per program.
- (5) Valuation Adjustments as per the Statement of Operations. The Vacation Pay and Doubtful Accounts provisions were recorded as follows:
 - Vacation Pay - value of vacation entitlements due to employees assigned to a program.
 - Doubtful Accounts - estimated expenses incurred by each program.

DEPARTMENT OF CHILDREN'S SERVICES

FINANCIAL STATEMENTS

MARCH 31, 2008

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Auditor's Report

To the Minister of Children and Youth Services

I have audited the statement of financial position of the Department of Children's Services as at March 31, 2008 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Department's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Department of Children's Services as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 16, 2008

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

DEPARTMENT OF CHILDREN'S SERVICES
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget (Schedule 3)	Actual	Actual
Revenues (SCHEDULE 1)			
Internal Government Transfers	\$ 55,500	\$ 55,500	\$ 49,500
Transfers from the Government of Canada	314,950	268,774	243,137
Other	4,786	2,547	6,069
	<u>375,236</u>	<u>326,821</u>	<u>298,706</u>
Expenses - Directly Incurred (NOTE 2B AND SCHEDULE 6)			
Voted (SCHEDULES 2, 3 AND 4)			
Ministry Support Services	16,706	15,741	14,850
Promoting the Development and Well-Being of Children, Youth and Families	376,811	377,240	344,278
Keeping Children, Youth and Families Safe and Protected	511,429	519,341	484,602
Promoting Healthy Communities for Children, Youth and Families	14,451	13,303	14,079
Program Support	46,219	44,773	40,616
	<u>965,616</u>	<u>970,398</u>	<u>898,425</u>
Statutory (SCHEDULES 2, 3 AND 4)			
Valuation Adjustments	1,500		
Doubtful Accounts		1,552	1,909
Vacation Pay		313	426
	<u>1,500</u>	<u>1,865</u>	<u>2,335</u>
	<u>967,116</u>	<u>972,263</u>	<u>900,760</u>
Net Operating Results	<u>\$ (591,880)</u>	<u>\$ (645,442)</u>	<u>\$ (602,054)</u>

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

DEPARTMENT OF CHILDREN'S SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 525	\$ 70
Accounts Receivable (NOTE 3)	10,267	9,845
Advances	270	408
Tangible Capital Assets (NOTE 4)	15,134	7,110
	<u><u>\$ 26,196</u></u>	<u><u>\$ 17,433</u></u>
Liabilities		
Accounts Payable and Accrued Liabilities (NOTE 5)	\$ 96,785	\$ 96,556
	<u><u>\$ 96,785</u></u>	<u><u>\$ 96,556</u></u>
Net Liabilities		
Net Liabilities at Beginning of Year	(79,123)	(55,481)
Net Operating Results	(645,442)	(602,054)
Net Financing Provided from General Revenues	653,976	578,412
	<u>(70,589)</u>	<u>(79,123)</u>
	<u><u>\$ 26,196</u></u>	<u><u>\$ 17,433</u></u>

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

DEPARTMENT OF CHILDREN'S SERVICES
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	2008	2007
Operating Transactions		
Net Operating Results	\$ (645,442)	\$ (602,054)
Non-Cash Items:		
Amortization (Schedule 2)	1,961	1,952
Valuation Adjustments (NET) (Schedule 2)	1,865	2,335
	<u>(641,616)</u>	<u>(597,767)</u>
(Increase) in Accounts Receivable ^(a)	(1,974)	(2,959)
Decrease in Advances	138	1
Decrease in Accounts Payable and Accrued Liabilities ^(a)	(84)	20,990
Cash Applied to Operating Transactions	<u>(643,536)</u>	<u>(579,735)</u>
Capital Transactions		
Cash Applied to Acquisition of Tangible Capital Assets	(9,985)	(2,214)
Financing Transactions		
Net Financing Provided from General Revenues	<u>653,976</u>	<u>578,412</u>
Increase/(Decrease) in Cash	455	(3,537)
Cash, Beginning of Year	70	3,607
Cash, End of Year	<u><u>\$ 525</u></u>	<u><u>\$ 70</u></u>

^(a) Adjusted for valuation adjustment.

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

Note 1 Authority, Purpose and Operations

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

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

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The PSAB financial presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the department.

(a) Reporting Entity

The reporting entity is the Department of Children's Services, which is part of the Ministry of Children's Services and for which the Minister of Children's Services is accountable. Other entities reporting to the Minister are the ten regional provincial agencies, known as Child and Family Services Authorities. The activities of these organizations are not included in these financial statements. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

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

(b) Basis of Financial Reporting

Revenues

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

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

Internal Government Transfers

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

Transfers from Government of Canada

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

Expenses

Directly Incurred

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

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

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

Incurred by Others

Services contributed by other entities in support of the Department's operations are disclosed in Schedule 7.

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

Assets

Financial assets of the Department are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Department are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000. Only major enhancements of existing systems of \$25,000 and over are capitalized.

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Liabilities

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

Measurement Uncertainty (in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Accounts receivables recorded as \$10,267 and accounts payables and accrued liabilities of \$96,785 in these financial statements are subject to measurement uncertainty.

DEPARTMENT OF CHILDREN'S SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 3 Accounts Receivable
 (in thousands)

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 13,151	\$ 3,402	\$ 9,749	\$ 9,701
Refunds from Suppliers	518	-	518	144
	<u>\$ 13,669</u>	<u>\$ 3,402</u>	<u>\$ 10,267</u>	<u>\$ 9,845</u>

Accounts receivable are unsecured and non-interest bearing.

Note 4 Tangible Capital Assets
 (in thousands)

	Equipment*	Computer Hardware and Software	2008 Total	2007 Total
Estimated Useful Life	5 years	5 years		
Historical Costs**				
Beginning of year	\$ 732	\$ 23,162	\$ 23,894	\$ 21,680
Additions	-	9,985	9,985	2,214
	<u>\$ 732</u>	<u>\$ 33,147</u>	<u>\$ 33,879</u>	<u>\$ 23,894</u>
Accumulated Amortization				
Beginning of year	\$ 717	\$ 16,067	\$ 16,784	\$ 14,832
Amortization Expense	4	1,957	1,961	1,952
	<u>\$ 721</u>	<u>\$ 18,024</u>	<u>\$ 18,745</u>	<u>\$ 16,784</u>
Net Book value at March 31, 2008	<u>\$ 11</u>	<u>\$ 15,123</u>	<u>\$ 15,134</u>	
Net Book value at March 31, 2007	<u>\$ 15</u>	<u>\$ 7,095</u>		<u>\$ 7,110</u>

* Equipment includes office equipment, furniture and other equipment.

** Historical costs includes work-in-progress at March 31, 2008 totalling \$9,423 comprised of computer software (2007- \$777).

DEPARTMENT OF CHILDREN'S SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Accounts payable and accrued liabilities
(in thousands)

	<u>2008</u>	<u>2007</u>
Child and Family Services Authorities	\$ 17,318	\$ 16,001
Trade	10,411	7,324
Government of Canada	54,571	50,094
Grants	9,762	17,468
Vacation Pay and Manpower	4,328	5,397
Other	395	272
	<u>\$ 96,785</u>	<u>\$ 96,556</u>

Note 6 Contractual obligations
(in thousands)

The Department contracts with organizations to provide specific programs and services for children under the care of the Department. The Department has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

At March 31, 2008, the Department has the following contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases	\$ 71	\$ 152

The Department leases certain vehicles under operating leases that expire at various dates to 2012. The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	<u>Long-term</u> <u>Leases</u>
2009	\$ 45
2010	23
2011	3
2012	-
	<u>\$ 71</u>

DEPARTMENT OF CHILDREN'S SERVICES
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 7 Contingent liabilities
(in thousands)

At March 31, 2008, the Department is a defendant in sixty-four legal claims (2007 – sixty-nine legal claims). Sixty-one of these claims have specified amounts totaling \$1,214,007 and the remaining three have no specified amount (2007 – sixty-six claims with a specified amount of \$1,189,567 and three with no specified amount).

Included in the total legal claims are thirty-seven claims amounting to \$1,176,201 in which the Department has been jointly named with other entities. Forty-six claims amounting to \$500,041 (2007 - fifty claims amounting to \$916,277) are covered by the Alberta Risk Management Fund.

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

Note 8 Trust Funds Under Administration
(in thousands)

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

At March 31, 2008 the trust fund under administration is as follows:

	2008	2007
Child Resources Rebate Trust Fund	\$ 1,365	\$ 1,481
	\$ 1,365	\$ 1,481

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

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

The Director will release the funds to the:

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

DEPARTMENT OF CHILDREN'S SERVICES
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 9 Defined Benefit Plans
(in thousands)

The Department participates in the multi-employer Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for the Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$4,757 for the year ended March 31, 2008 (2007 - \$4,176).

At December 31, 2007, the Management Employees Pension Plan reported a deficiency of \$84,341 (2006 - \$6,765) and the Public Service Pension Plan reported a deficiency of \$92,070 (2006 surplus - \$153,024). At December 31, 2007, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$1,510 (2006 - \$3,698).

The Department also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2008, the Bargaining Unit Plan reported an actuarial deficiency of \$6,319 (2007 surplus - \$153) and the Management, Opted Out and Excluded Plan had an actuarial surplus of \$7,874 (2007 - \$10,148). The expense for these two plans is limited to the employer's annual contributions for the year.

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

DEPARTMENT OF CHILDREN'S SERVICES
REVENUES - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		2007
	2008		
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal Government Transfers			
Transfer from the Lottery Fund	\$ 55,500	\$ 55,500	\$ 49,500
Transfers from Government of Canada			
Canada Social Transfer	256,040	201,927	137,217
Early Learning and Childcare	26,000	25,900	65,973
Services on First Nations Reserves	10,800	17,250	16,700
National Child Special Allowance and Other	22,110	23,697	23,247
	<u>314,950</u>	<u>268,774</u>	<u>243,137</u>
Other Revenue			
Refunds of Expenditure			
First Nations Agencies Recoveries	3,500	1,110	1,464
Other Refunds	1,286	1,347	4,245
Other	-	90	360
	<u>4,786</u>	<u>2,547</u>	<u>6,069</u>
Total Revenues	<u><u>\$ 375,236</u></u>	<u><u>\$ 326,821</u></u>	<u><u>\$ 298,706</u></u>

DEPARTMENT OF CHILDREN'S SERVICES
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 2
YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
Voted:			
Salaries, Wages and Employee Benefits	\$ 36,238	\$ 38,775	\$ 35,994
Supplies and Services	88,775	70,596	67,175
Supplies and Services from Shared Services			
Support Arrangements with Related Parties (a)		530	559
Grants	837,733	858,563	793,459
Financial Transactions and Other	107	93	116
Amortization of Capital Assets	2,763	1,961	1,952
Total Voted Expenses before Recoveries	<u>965,616</u>	<u>970,518</u>	<u>899,255</u>
Less Recovery from Support Service Arrangements with Related Parties (b)	-	(120)	(830)
	<u>965,616</u>	<u>970,398</u>	<u>898,425</u>
Statutory:			
Valuation Adjustments	1,500	-	-
Vacation Pay	-	313	426
Doubtful accounts	-	1,552	1,909
Total Statutory Expenses	<u>1,500</u>	<u>1,865</u>	<u>2,335</u>
Total Expenses	<u><u>\$ 967,116</u></u>	<u><u>\$ 972,263</u></u>	<u><u>\$ 900,760</u></u>

- (a) The Department receives Freedom of Information and Protection of Privacy and information technology services from the Department of Employment Immigration and Industry.
- (b) The Department provides operational human resources services to the Ministry of Seniors and Community Supports. Costs incurred by the Department for these services are recovered from the Ministry of Senior and Community Supports.

DEPARTMENT OF CHILDREN'S SERVICES
BUDGET - SCHEDULE 3
 YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

	2007 -2008 Estimates	Adjustments	2007 -2008 Budget	Authorized Supplementary ^(a)	2007 -2008 Authorized Budget
Revenues					
Internal Government Transfers	\$ 55,500	-	\$ 55,500	\$ -	\$ 55,500
Transfers from the Government of Canada	314,950	-	314,950	-	314,950
Other	4,786	-	4,786	-	4,786
	<u>375,236</u>	-	<u>375,236</u>	-	<u>375,236</u>
Expenses - Directly Incurred:					
Voted					
Ministry Support Services	16,706	-	16,706	-	16,706
Promoting the Development and Well-Being of Children, Youth and Families	376,811	-	376,811	2,816	379,627
Keeping Children, Youth and Families Safe and Protected	511,429	-	511,429	7,184	518,613
Promoting Healthy Communities for Children, Youth and Families	14,451	-	14,451	-	14,451
Program Support	46,219	-	46,219	-	46,219
	<u>965,616</u>	-	<u>965,616</u>	<u>10,000</u>	<u>975,616</u>
Statutory					
Valuation adjustments	1,500	-	1,500	-	1,500
	<u>1,500</u>	-	<u>1,500</u>	-	<u>1,500</u>
Total Expenses	967,116	-	967,116	10,000	977,116
Net Operating Results	<u>\$ (591,880)</u>	-	<u>\$ (591,880)</u>	<u>\$ (10,000)</u>	<u>\$ (601,880)</u>
Equipment/Inventory Purchases	<u>\$ 10,000</u>	-	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 10,000</u>

^(a) Supplementary Estimates were approved on November 2007 and April 2008. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.

**DEPARTMENT OF CHILDREN'S SERVICES
COMPARISON OF EXPENSES - DIRECTLY INCURRED EIP AND CAPITAL INVESTMENT, STATUTORY EXPENSES
AND NON-BUDGETARY DISBURSEMENTS BY ELEMENT TO AUTHORIZED BUDGET - SCHEDULE 4
YEAR ENDED MARCH 31, 2008**

Voted:									
Ministry Support Services									
Minister's Office	\$ 389	\$ -	\$ -	\$ 389	\$ -	\$ 389	\$ -	\$ 406	\$ (17)
Deputy Minister's Office	575	-	-	575	-	575	-	589	(14)
Communications Services	633	-	-	633	-	633	-	684	(51)
Corporate Administration	15,109	-	-	15,109	-	15,109	-	14,062	1,047
	16,706	-	-	16,706	-	16,706	-	15,741	965
Promoting the Development and Well-Being of Children, Youth and Families									
Child Care	134,036	-	-	134,036	-	134,036	-	129,257	4,779
Family Support for Children with Disabilities	101,768	-	1,500	101,768	1,500	103,268	-	104,169	(901)
Family and Community Support Services	71,161	-	-	71,161	-	71,161	-	71,106	55
Prevention of Family Violence and Bullying	36,203	-	900	36,203	900	37,103	-	35,281	1,822
Parenting Resources Initiative	18,094	-	416	18,094	416	18,510	-	22,330	(3,820)
Fetal Alcohol Spectrum Disorder Initiatives	9,549	-	-	9,549	-	9,549	-	9,721	(172)
Youth in Transition	6,000	-	-	6,000	-	6,000	-	5,376	624
	376,811	-	2,816	376,811	2,816	379,627	-	377,240	2,387
Keeping Children, Youth and Families Safe and Protected									
Child Intervention Services	355,451	-	7,184	355,451	7,184	362,635	-	361,362	1,273
Foster Care Support	143,874	-	-	143,874	-	143,874	-	145,864	(1,990)
Protecting Children from Sexual Exploitation	6,203	-	-	6,203	-	6,203	-	5,932	271
Child and Youth Advocate	5,901	-	-	5,901	-	5,901	-	6,183	(282)
	511,429	-	7,184	511,429	7,184	518,613	-	519,341	(728)
Promoting Healthy Communities for Children, Youth and Families									
Community Initiatives	10,907	-	-	10,907	-	10,907	-	9,895	1,012
Child and Family Research	2,000	-	-	2,000	-	2,000	-	2,000	-
Alberta's Promise	1,544	-	-	1,544	-	1,544	-	1,408	136
	14,451	-	-	14,451	-	14,451	-	13,303	1,148
Program Support									
Program Delivery Support	43,456	-	-	43,456	-	43,456	-	42,812	644
Amortization of Capital Assets	2,763	-	-	2,763	-	2,763	-	1,961	802
	46,219	-	-	46,219	-	46,219	-	44,773	1,446
	10,000	-	-	10,000	-	10,000	-	9,995	5
Equipment/Inventory Purchases	975,616	-	10,000	975,616	10,000	985,616	-	980,393	5,223
Statutory:									
Valuation Adjustments and Other Provisions	1,500	-	-	1,500	-	1,500	-	1,865	(365)
Total Expenses	\$ 977,116	\$ -	\$ 10,000	\$ 977,116	\$ 10,000	\$ 987,116	\$ -	\$ 982,258	\$ 4,858

(a) Supplementary Estimates were approved on November 2007 and April 2008. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.

(b) Includes achievement bonus amounting to \$1,348.

DEPARTMENT OF CHILDREN'S SERVICES
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 5
 YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

	2008			2007	
	Base Salary (1)	Other Cash Benefits (2)	Other Non-Cash Benefits (3)	Total	Total
Senior Officials					
Deputy Minister (4)	\$ 231	\$ 55	\$ 55	\$ 341	\$ 294
Child and Youth Advocate	137	22	9	168	151
Executives					
Assistant Deputy Ministers					
Ministry Support Services	165	26	41	232	208
Program Quality & Standards	161	26	41	228	203
Community Strategies & Support Services	159	30	40	229	210
Executive Director, Prevention of Family Violence and Bullying	135	23	33	191	179

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

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

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

(4) Automobile provided, no dollar amount included in other non-cash benefits.

DEPARTMENT OF CHILDREN'S SERVICES
RELATED PARTY TRANSACTIONS - SCHEDULE 6

YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Internal Government Transfers	\$ -	\$ -	\$ 55,500	\$ 49,500
Other	-	-	-	-
	\$ -	\$ -	\$ 55,500	\$ 49,500
Expenses:				
Grants to Child and Family Services Authorities	\$ 727,353	\$ 680,865	\$ -	\$ -
Ministry of Treasury Board (Service Alberta)	-	-	5,071	4,730
Ministry of Alberta Infrastructure and Transportation	-	-	1	1
Ministry of Finance	-	-	1,560	1,214
Ministry of Health & Wellness - Health Authorities	-	-	208	93
Ministry of Advanced Education and Technology - Post Secondary	-	-	588	219
Ministry of Education - School Divisions	-	-	365	167
	\$ 727,353	\$ 680,865	\$ 7,793	6,424
Tangible Capital Assets				
Transferred to Ministry of Service Alberta	\$ -	\$ -	\$ -	\$ (695)
Receivable from/(payable to) (net)				
Grants to Child and Family Services Authorities	\$ (16,125)	(14,546)	\$ -	\$ -
Ministry of Service Alberta	-	-	-	(695)
Ministry of Advanced Education and Technology	-	-	-	-
Ministry of Employment, Immigration and Industry	-	-	-	-
Ministry of Health & Wellness - Health Authorities	-	-	(14)	-
Ministry of Finance	-	-	230	-
	\$ (16,125)	(14,546)	\$ 216	(695)

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

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 7.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (notional):		
Accommodation	\$ 2,314	1,685
Legal Services	678	550
Internal Audit	12	30
Administrative	1,247	1,205
Air Transportation	265	121
	\$ 4,516	3,591

DEPARTMENT OF CHILDREN'S SERVICES
ALLOCATED COSTS - SCHEDULE 7
YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

Program	2008										2007
	Expenses - Incurred by Others							Valuation Adjustments ⁽⁶⁾			Total Expenses
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Legal Services ⁽³⁾	Internal Audit	Air Transportation	Admin Costs ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses	
Ministry Support Services	\$ 15,741	\$ 540	\$ -	\$ 3	\$ 3	\$ 61	\$ 291	\$ 72	\$ -	\$ 16,708	15,746
Promoting the Development and Well-being of Children, Youth and Families:	377,240	399	-	2	46	215	215	54	-	377,956	344,864
Keeping Children, Youth and Families Safe and Protected	519,341	708	678	4	81	382	382	96	-	521,290	486,293
Promoting Healthy Communities for Children, Youth and Families	13,303	190	-	1	22	102	102	26	-	13,644	14,268
Program Support	44,773	477	-	2	55	257	257	65	1,552	47,181	43,180
	970,398	2,314	678	12	265	1,247	313	1,552	976,779	904,351	

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

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

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

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

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

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

Other Information



Children's Services Statement of Remissions, Compromises and Write-Offs

YEAR ENDED MARCH 31, 2008

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

	(IN THOUSANDS) 2008
Remissions under section 21 of the <i>Financial Administration Act</i>	<u>-</u>
Compromises under section 22 of the <i>Financial Administration Act</i>	<u>-</u>
Bankruptcies	<u>-</u>
Write-offs:	
First Nations Recovery	169
Day Care Program - prior years	<u>1,781</u>
Total	<u><u>\$ 1,950</u></u>

Appendices



Glossary of Terms and Acronyms

Glossary of Terms

Alberta's Promise - A public-private partnership dedicated to finding new and better ways of working together to direct more resources to benefit Alberta's children and youth.

Adoption - Permanent family, legal guardianship resting with adoptive parents. Contact with birth family is dictated by terms of adoption, which may be open or closed.

Annual Report - A document produced by government ministries to report on progress made during a fiscal year and measure the performance of all organizational facets against goals set out in the Ministry business plan.

Business Plan - A strategic document created to give an organization direction by presenting a clear vision of its overall goals, how performance will be measured and statement of operations.

Children in Care - Children determined to be in need of intervention, requiring protective out-of-home placement, as determined by provincial legislation.

Child Protection Services - Delegated authorities empowered to provide mandated intervention based on legislated definitions of children in need of protection. These children may be under the guardianship and/or custody of the Director of the *Child, Youth and Family Enhancement Act*, or at home with their family receiving services through court-ordered supervision.

Differential Response - An approach to case management that provides early identification of vulnerable children and families and mobilization of support services before a crisis occurs, to help more parents fulfil their natural role as caregivers for their children.

Early Childhood Development Strategy (ECD) - An initiative to provide a range of health, social and learning programs and services to parents, families and children from preconception to age six. The initiative strives to ensure children get the best start in life, as well as to strengthen parents' capacity to meet their children's needs and promote optimal child development.

Family and Community Support Services (FCSS) - A 80/20 funding partnership between the province, municipalities and Métis Settlements that enables communities to design and deliver preventive social programs to promote and enhance well-being among individuals, families and communities. Children's Services provides 80 per cent of the funding, while municipalities contribute the remaining.

Family Enhancement Services - Services and supports provided to a family, enabling them to continue to care for their children in the home. These services are used when the family is motivated to address the issues impacting their family situation. Family enhancement services can also be provided to youth, 16 years of age or older, who are living independently from their family and who have been assessed to be in need of intervention services.

Fetal Alcohol Spectrum Disorder (FASD) - Formerly referred to as Fetal Alcohol Syndrome, FASD refers to a broad spectrum of disabilities that are caused by prenatal exposure to alcohol. These are lifelong disabilities that may include physical, mental, behavioural or learning disabilities.

Foster Care - Care and supervision of a child in care by someone other than a parent or guardian. A CFSA or DFNA must approve and arrange foster care.

Group Care - Staff-based group care, usually limited to six to nine residents in a home or facility.

Home Visitation - An ECD program providing one-on-one support in the family home to enhance parenting skills, provide child development information and promote child health and other aspects of positive family functioning.

Kinship Care - An arrangement to provide care to children under the guardianship and/or custody of the director where there is a pre-existing significant relationship between the child and the caregiver.

Permanency - A main objective of Children's Services; to see children who are in permanent government care become adopted or become the subject of a private guardianship order, as quickly as possible, to ensure a stable, nurturing family environment.

Permanency Planning - A goal-oriented, systematic process for placing children into suitable family settings as quickly as possible.

Glossary of Acronyms

AADAC - Alberta Alcohol and Drug Abuse Commission

AYSPS - Aboriginal Youth Suicide Prevention Strategy

CCIS - Child Care Information System

CEO - Chief Executive Officer

CFSA - Child and Family Services Authority

CYIM - Child Youth Information Module

DFNA - Delegated First Nations Agency

ECD - Early Childhood Development

FASD - Fetal Alcohol Spectrum Disorder

FCSS - Family and Community Support Services

FSCD - Family Support for Children with Disabilities

HRYP - High-Risk Youth Project

ISIS - Intervention Services Information System

MLA - Member of the Legislative Assembly

PAFVA - *Protection Against Family Violence Act*

APPENDIX 2

Performance Measures – Data Sources and Methodology

Data Sources

Child Care Information System (CCIS)

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

Child Youth Information Module (CYIM)

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

Ministry Surveys

The Ministry also hires external contractors to conduct several surveys used for performance measures, including: the Family Support for Children with Disabilities Family Survey, the Foster Care Program Survey, the Adoption Program Survey, the Child Care Subsidy Program Survey and the Community Partners Survey. All of these surveys are conducted every two years. The Ministry also conducts the Women's Emergency Shelters Exit Survey every year.

Methodology

PERFORMANCE MEASURE 1A:

Percentage of expenditures in the children/youth project and service category of Family and Community Support Services (FCSS)

Each year, participating municipalities and Métis Settlements must submit reports with financial information and a list of projects and services receiving funding. Projects are identified within numerous service categories including children/youth, families, adults, seniors and community development. The *FCSS Regulation* requires participating municipalities to submit these reports to the Ministry within 120 days (or four months) of the end of the municipality's fiscal year. Municipalities operate on a calendar year and were required to submit 2006 reporting by April 30, 2007. Métis Settlements operate on a fiscal year and were required to submit 2006-07 reporting by July 29, 2007. At the end of the reporting period, a total of 305 municipalities and Métis Settlements, organized within 200 local programs, provided FCSS services throughout Alberta.

A total of seven projects and services categories are used to report FCSS activities including: Children/Youth (Category A), Families (Category B), Adults (Category C), Seniors (Category D), Community Development (E), Grant Transfers (F) and FCSS Management (Category G). An expenditure percentage of 29 was achieved within the FCSS Projects and Services category for Children/Youth (Annual FCSS Program Report Section 2, Category A). This result represents expenditures of over \$28 million in this category in 2006.

PERFORMANCE MEASURE 1B:

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

The result for this measure is based on the number of licensed or approved day care centres and contracted family day home agencies accredited on March 31, 2008. As of that date, there were 548 eligible day care centres and contracted family day home agencies in the province. Of these, 296 were accredited. The Alberta Association for the Accreditation of Early Learning and Care Services accredits eligible day care centres and family day home agencies in Alberta. Accreditation is a voluntary program. Day care centres located on reserve are not included in this measure, as these programs are not required to meet provincial legislation and are not eligible for accreditation. Child care programs flagged as “high priority,” or not meeting current licensing standards, are also not eligible for accreditation/pre-accreditation funding. “Approved on-base” facilities are eligible for accreditation and accreditation grant funding.

PERFORMANCE MEASURE 1C:

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

This result for this measure is obtained through a survey of families receiving services from the FSCD program at the end of the fiscal year. For the initial baseline survey, the complete population of families was surveyed instead of a random sample. Additional call-backs were used for a random sample of the population in smaller regions to increase the response rate and ensure regional representation. Future surveys will be based on a random sample of families. Since additional call-backs were made to increase the response rate for rural regions, the results are weighted back to the original regional distribution of families for reporting the provincial result.

All families were mailed a copy of the survey instrument. Families were provided with the opportunity to respond either by mail, fax, online through a secure Internet site or by telephone. A 40 per cent response rate was achieved.

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

Results for this measure are from an exit survey of all abused women at the end of their stay in Ministry-funded women's emergency shelters. The survey was conducted between April 1, 2007, and March 31, 2008. A total of 4,248 abused women, with or without dependents, were admitted to and discharged from 31 contracted women's emergency shelters across the province. 919 valid responses to the survey questionnaire were included in a six month sample of data that was used for performance measure reporting in 2007-08, resulting in a response rate of 22 per cent. The overall margin of error for this survey was ± 2.86 per cent, 19 times out of 20. In 2007-08, a six month sample of survey data was used to provide the results for this performance measure. In previous years, results were provided based on a full year of survey data. Respondents are not necessarily unique individuals. If a woman visited a shelter more than once in the survey period, she may have completed the survey more than once. Respondents can fill out the survey before leaving the shelter or return their surveys by fax or mail. A self-addressed envelope is provided by the shelters to encourage higher response rates.

PERFORMANCE MEASURE 2B:**Percentage of families accessing Ministry programs that indicate positive impacts for their children: foster care, adoption and child care subsidy**

This measure involves three surveys conducted every two years on a given program or service to reduce cost and response burden. Surveys are contracted to an external consultant and are designed to meet rigorous methodology standards.

Foster Care Program Survey – This survey was a mail-out and telephone follow-up survey where respondents could choose to complete the questionnaire on paper or over the telephone. Postage-paid return envelopes were included with the introductory letter to help individuals who chose to complete the hard copy of the survey. It was conducted between January 8, 2007 and March 3, 2007. Foster care program clients are foster families or applicants who were in the CYIM database on November 2006. A census survey was used for seven CFSA's where client numbers were not large enough to warrant sampling procedures. In Calgary and Area CFSA, Edmonton and Area CFSA and Central Alberta CFSA, random samples of clients were selected. The valid response rate for the foster care program survey was 76.6 per cent. Out of a valid sample of 1,682 surveys, 1,288 were completed. The overall margin of error for the survey is ± 1.6 per cent, 19 times out of 20.

Adoption Program Survey – This survey was conducted by telephone between January 8, 2007 and February 2, 2007. Adoption program respondents were defined as individuals who had either submitted an application and were waiting for a home assessment or had been approved to adopt a child. Applicants were identified through the CYIM database in October 2006. Out of a possible 560 clients, 339 surveys were completed, resulting in a valid response rate of 60.5 per cent. Due to small client numbers, data were not collected at the regional level for this survey. The overall margin of error for this survey is ± 3.6 per cent, 19 times out of 20.

Child Care Subsidy Program Survey – This survey was conducted by telephone between January 8, 2007, and March 7, 2007. Child care subsidy program clients surveyed were those who received subsidies for their children to attend Alberta child care facilities. Clients were identified through the CCIS database in November 2006. A census survey was used for two CFSA's where client numbers were not large enough to warrant sampling procedures. In seven CFSA's, random samples of clients were selected. The Métis Settlements CFSA did not participate in the survey, as there are no child care centres in that region. Out of a valid sample of 4,233 surveys, 1,926 were completed, resulting in a valid response rate of 45.5 per cent. The margin of error for the survey is ± 2.0 per cent, 19 times out of 20.

PERFORMANCE MEASURE 3A:

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

This measure is derived from CYIM data and is calculated by dividing the number of children receiving protection services during a specified time period into the number of children receiving protective services who experienced an injury that resulted in the child requiring hospitalization or dying from the injury. The caseworker is required to report information on this measure at three points in the case management process: investigation, completion of an information consolidation and file closure. At each point the worker is prompted to enter information about this measure, if applicable. The question posed to the worker at the time of the prompt is, "Did the child sustain an injury that resulted in hospitalization or death?" An affirmative response on CYIM to this question is made when death has occurred or hospital admission has taken place as a result of an injury. All CYIM results for this measure are manually checked against the relevant case records to ensure accuracy of the result reported in CYIM.

PERFORMANCE MEASURE 3B:

Percentage of children who experience at least one incident of child maltreatment within 12 months of a previously confirmed incident of child maltreatment

When information is received regarding a child who may be in need of intervention services, information is gathered and assessed to determine if the information is accurate, assess the current situation and plan for how to best address the concern. If the information gathered through this process indicates that a child may have been abused or neglected, this is considered an incident of maltreatment. For this measure maltreatment includes a wide range of situations from physical abuse by the parent to inadequate supervision of the child. This measure is derived from CYIM data and is calculated by dividing the number of children with a substantiated incident of child maltreatment within the specified time period into the number of children who experience a substantiated and new incident of child maltreatment within a 12-month period from the date of the last substantiated incident of child maltreatment.

PERFORMANCE MEASURE 3C:**Number of children in the permanent care of the Director, who are adopted**

The *Child, Youth and Family Enhancement Act* increased the supports available to families who adopted children. The Supports for Permanency program was introduced in 2005 and continues to be improved to ensure that the necessary supports are in place to encourage and maintain permanent homes for these children. The measure is calculated by counting the number of children in permanent care of the Director of the *Child, Youth and Family Enhancement Act* whose case file is closed, as shown in CYIM, during the 12 months of the fiscal year, where the reason of closure is an adoption order.

PERFORMANCE MEASURE 3D:**Number of children in the permanent care of the Director, for whom Private Guardianships are granted**

The *Child, Youth and Family Enhancement Act* increased the supports available to families who adopted children as well as those where a family was granted private guardianship. The Supports for Permanency program was introduced in 2005 and continues to be improved to ensure that the necessary supports are in place to encourage and maintain permanent homes for these children. Private guardianship orders are typically sought by families who have significant relationships with the child or the natural family. The measure is calculated by counting the number of children, in permanent care of the Director of the *Child, Youth and Family Enhancement Act*, whose files are closed, as shown in CYIM, during the 12 months of a fiscal year, where reason of closure is a private guardianship order and where the primary legal authority at closure is a permanent guardianship agreement or order.

PERFORMANCE MEASURE 4A:**Percentage of Aboriginal children who suffer injury that results in hospitalization or death while receiving protective services**

This measure is calculated by dividing the number of Aboriginal children receiving protective services during the specified time period into the number of Aboriginal children receiving protective services who experience an injury that resulted in the child requiring hospitalization or in the child dying from the injury. Since this measure is a subset of the data for measure 3A, details of the process are the same as for measure 3A.

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

This measure looks at the placement of Aboriginal children in foster or kinship care homes where the foster or kinship family has an Aboriginal background. This provides one indicator of achieving the outcome “Aboriginal children, youth and families receive culturally appropriate services.” In CYIM, an Aboriginal foster or kinship care family is determined when either the foster or kinship care home is denoted as Aboriginal or the caregiver’s racial origin is identified as Aboriginal. This measure is derived from CYIM data and is calculated by dividing the number of Aboriginal children in foster care or kinship care who are residing with Aboriginal foster care or kinship care families by the number of Aboriginal children in foster care or kinship care during 2007-08.

PERFORMANCE MEASURE 5A:**Percentage of community stakeholders reporting an increase in the community’s ability to meet the needs of children, youth and families**

A community partners survey was conducted through telephone interviews between February 5, 2007, and March 20, 2007. This survey has been conducted every two years by an external contractor. The result reported is in response to the question: “Thinking about the past 12 months, would you say you strongly agree, agree, disagree, or strongly disagree that, overall, there has been an increase in your community’s ability to meet the needs of children, youth and families?” The responses included “strongly agree” and “agree” have been combined.

Community partners were defined as stakeholders, who worked with their respective CFSA in serving children, youth and families within their community. Each of the 10 participating CSFAs was asked to provide an extensive listing of such partners. Out of a total of 746 identified partners, 540 telephone surveys were completed, representing a 72 per cent response rate. Response rates for the CSFAs ranged from 66 per cent to 81 per cent. The margin of error for this survey is estimated to be ± 2.2 per cent, 19 times out of 20.

PERFORMANCE MEASURE 5B:**Percentage of children and youth who received family enhancement services and afterwards did not require protective services**

The methodology is based on calculations of CYIM data as follows: all of children’s ID numbers with an activity of Family Enhancement Closed are tracked from April 1, 2006 to March 31, 2007, inclusive to determine if any of the same ID numbers ended up as an opened file under protection services within a period of 12 months from the date of the FE closure. Assurance for data completeness results from case management practice that a child protection case may only be opened after the child’s Family Enhancement file, if applicable, has been closed. A child cannot receive services under both Family Enhancement and Protection Services at the same time.

APPENDIX 3

Appeal Panels

The Minister appoints citizens to appeal panels that hear appeals under the *Child, Youth and Family Enhancement Act* and the *Family Support for Children with Disabilities Act*.

The following is a summary of appeal decisions for 2007-08, organized according to the Acts under which the appeals were heard: Enhancement appeals and Family Support for Children with Disabilities appeals.

2007-08 Appeals

Enhancement April 1, 2007 – March 31, 2008

Number Received	50
Reversed	5
Confirmed	5
Varied	0
Withdrawn/Abandoned	25
No Jurisdiction	4
Hold/Pending	11

Family Support for Children with Disabilities April 1, 2007 – March 31, 2008

Number Received	47
Reversed	10
Confirmed	2
Varied	4
Withdrawn/Abandoned	17
No Jurisdiction	6
Hold/Pending	8

APPENDIX 4

Child and Family Services Authorities Directory

Southwest Alberta Child and Family Services, Region 1

107 Palliser Centre, 3305 – 18 Avenue North
Lethbridge, AB T1H 5S1
Phone: (403) 381-5543
Fax: (403) 381-5608
CEO: Sharon Brokop
Co-Chair: Harley Phillips
Co-Chair: Dr. Lloyd Cavers

Southeast Alberta Child and Family Services, Region 2

101 Floor, Provincial Building, 346 – 3rd Street SE
Medicine Hat, AB T1A 0G7
Phone: (403) 529-3753
Fax: (403) 528 - 5244
CEO: Bryan Heninger
Co-Chair: Heather Rann
Co-Chair: Ken Serr

Calgary and Area Child and Family Services, Region 3

300, 1240 Kensington Road NW
Calgary, AB T2N 3P7
Phone: (403) 297- 2601
Fax: (403) 297-7214
CEO: Bonnie Johnston
Co-Chair: Gerrad Oishi
Co-Chair: John Phillips

Central Alberta Child and Family Services, Region 4

3rd Floor, Bishop Place, 4826 Ross Street
Red Deer, AB T4N 1X4
Phone: (403) 341-8642
Fax: (403) 341-8654
CEO: Mark Hattori
Co-Chair: Ronald Gaida
Co-Chair: Sara Potts

East Central Alberta Child and Family Services, Region 5

Box 300, 4811 – 49th Avenue
Killam, AB T0B 2L0
Phone: (780) 385-7160
Fax: (780) 385-7163
CEO: Bryan Holden, Acting
Co-Chair: Lois Byers
Co-Chair: Corrine Miller

Edmonton and Area Child and Family Services, Region 6

7th Floor, Oxbridge Place, 9820 - 106 Street

Edmonton, AB T5K 2J6

Phone: (780) 422-2250

Fax: (780) 422 - 6864

CEO: Rick Semel

Co-Chair: Archie Arcand

Co-Chair: Dick Frey

North Central Alberta Child and Family Services, Region 7

2nd Floor, Administrative Building, 5143 – 50 Street

Barrhead, AB T7N 1A6

Phone: (780) 305-2440

Fax: (780) 305-2444

CEO: Dr. David Rideout

Co-Chair: Brian Broughton

Co-Chair: Audrey Franklin

Northwest Alberta Child and Family Services, Region 8

3001, Provincial Building, 10320 – 99 Street

Grande Prairie, AB T8V 6J4

Phone: (780) 538 - 5122

Fax: (780) 538 - 5137

CEO: Carole Anne Patenaude

Co-Chair: Judy Ostrowski

Co-Chair: Karen Egge

Northeast Alberta Child and Family Services, Region 9

4th Floor, Provincial Building, 9915 Franklin Avenue

Fort McMurray, AB T9H 2K4

Phone: (780) 743 - 7461

Fax: (780) 743 - 7474

CEO: Ron Benson

Co-Chair: Bill Clark

Co-Chair: Kent Pickett

Métis Settlements Child and Family Services, Region 10

210, 10335 – 172 Street

Edmonton, AB T5S 1K9

Phone: (780) 427 - 1033

Fax: (780) 415 - 0177

CEO: Lillian Parenteau

Co-Chair: Sharon Anderson

Co-Chair: Floyd Thompson

APPENDIX 5

Alphabetical List of Government Entities' Financial Statements

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Access to the Future Fund	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board ¹²	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Investment Management Corporation ¹³	Finance
Alberta Local Authorities Pension Plan Corporation	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing

¹²Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

¹³Began operations January 1, 2008

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branches	Finance
Alberta Utilities Commission ¹⁴	Energy
ATB Insurance Advisors Inc.	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Securities Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology
Climate Change and Emissions Management Fund ¹⁵	Environment
Credit Union Deposit Guarantee Corporation	Finance
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology

¹⁴Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

¹⁵Began operations July 1, 2007

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Environment	Environment
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Energy Resources Conservation Board ¹⁶	Energy
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Tourism, Parks, Recreation and Culture
Historic Resources Fund	Tourism, Parks, Recreation and Culture
Human Rights, Citizenship and Multiculturalism Education Fund	Tourism, Parks, Recreation and Culture
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Food	Agriculture and Food
Ministry of Children's Services	Children's Services
Ministry of Education	Education
Ministry of Employment, Immigration and Industry ¹⁷	Employment, Immigration and Industry
Ministry of Energy	Energy
Ministry of Environment	Environment
Ministry of Executive Council ¹⁷	Executive Council
Ministry of Finance	Finance

¹⁶Effective January 1, 2008, the Alberta Energy and Utilities Board was realigned into two separate regulatory bodies: the Alberta Utilities Commission and the Energy Resources Conservation Board.

¹⁷Ministry includes only the departments so separate departmental financial statements are not necessary.

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Ministry of Health and Wellness	Health and Wellness
Ministry of Infrastructure and Transportation ¹⁸	Infrastructure and Transportation
Ministry of International, Intergovernmental and Aboriginal Relations ¹⁸	International, Intergovernmental and Aboriginal Relations
Ministry of Justice ¹⁸	Justice
Ministry of Municipal Affairs and Housing	Municipal Affairs and Housing
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta ¹⁸	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Ministry of the Treasury Board ¹⁸	Treasury Board
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board ¹⁹	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	

¹⁸Ministry includes only the departments so separate departmental financial statements are not necessary.

¹⁹Ceased operations June 30, 2006

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Health Quality Council of Alberta Northern Lights Health Region Peace Country Health Palliser Health Region	
Safety Codes Council	Municipal Affairs and Housing
School Boards and Charter Schools:	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
CAPE-Centre for Academic and Personal Excellence Institute	
Chinook's Edge School Division No. 73	
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	

Entities Included in the Consolidated Government Reporting Entity

MINISTRY, DEPARTMENT, FUND OR AGENCY	MINISTRY ANNUAL REPORT
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	The University of Alberta
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

Child and Family Services Authorities Financial Statements



SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY

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MARCH 31, 2008

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Auditor's Report

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

I have audited the statement of financial position of the Southwest Alberta Child and Family Services Authority (the Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
April 29, 2008

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

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 36,543	\$ 37,964	\$ 35,176
Other Revenue			
Inter-Authority Services	78	22	-
Other Revenue	21	291	375
	<u>36,642</u>	<u>38,277</u>	<u>35,551</u>
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	5,165	4,817	4,811
Family Support for Children with Disabilities	5,582	5,451	5,359
Parenting Resources Initiative	352	372	351
Fetal Alcohol Spectrum Disorder Initiatives	83	515	490
Keeping children, youth and families safe and protected:			
Child Intervention Services	15,496	16,556	14,955
Foster Care Support	7,677	7,441	7,019
Protecting Children from Sexual Exploitation	223	239	229
Child and Youth Support	334	272	317
Promoting healthy communities for children, youth and families:			
Community Initiatives	134	91	122
Support Services:			
Program Support	1,370	1,239	1,025
Board Governance	148	129	137
Inter-Authority Services	78	22	-
Valuation Adjustments (Note 2)	-	158	78
TOTAL EXPENSES	<u>36,642</u>	<u>37,302</u>	<u>34,893</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 975</u>	<u>\$ 658</u>

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

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 3,762	\$ 2,774
Accounts Receivable (Note 4)	1,320	1,128
	<u>\$ 5,082</u>	<u>\$ 3,902</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 2,729	\$ 2,524
Net Assets		
Net Assets at Beginning of Year	1,378	720
Net Operating Results	975	658
Net Assets at End of Year	<u>2,353</u>	<u>1,378</u>
	<u>\$ 5,082</u>	<u>\$ 3,902</u>

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

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 975	\$ 658
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	158	78
	<u>1,133</u>	<u>736</u>
Increase in Accounts Receivable	(238)	(88)
Increase in Accounts Payable and Accrued Liabilities	93	267
Cash Provided by Operating Transactions	<u>988</u>	<u>915</u>
Increase in Cash	988	915
Cash, Beginning of Year	2,774	1,859
Cash, End of Year	<u><u>\$ 3,762</u></u>	<u><u>\$ 2,774</u></u>

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

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Asset /Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$36,642 on March 29, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,320 and \$2,729 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimate.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 36,543
Additional funding for the current year	<u>1,421</u>
Grant for the year	<u><u>\$ 37,964</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008		2007	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Child & Family Services Authorities	\$ 12	\$ -	\$ 12	\$ -
Department of Children's Services	1,102	-	1,102	975
Refunds from Suppliers	266	60	206	153
	<u>\$ 1,380</u>	<u>\$ 60</u>	<u>\$ 1,320</u>	<u>\$ 1,128</u>

Accounts receivable are unsecured and non-interest bearing.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Accounts payable and accrued liabilities
(in thousands)

	2008	2007
Trade Payable	\$ 1,487	\$ 1,346
Accrued Vacation Pay and Manpower Expenses	1,161	1,018
Department of Children's Services	81	160
	<u>\$ 2,729</u>	<u>\$ 2,524</u>

Note 6 Contractual obligations
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	2008	2007
Long-term Leases ^(a)	<u>\$ 144</u>	<u>\$ 240</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	Long-term Leases
2009	\$ 76
2010	54
2011	14
	<u>\$ 144</u>

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 7 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007– two legal claims). The three claims have specified amounts totalling \$326,300 (2007– two claims with a specified amount of \$7,800). The Authority is jointly named with other entries in these three claims. One claim amounting to \$1,300 (2007– one claim amounting to \$1,300) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 8 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$717 for the year ended March 31, 2008 (2007 – \$608).

Note 9 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 10 Approval of Financial Statements

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

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008 Budget	2008 Actual	2007 Actual
Salaries, Wages and Employee Benefits ^(a)	\$ 10,945	\$ 11,321	\$ 10,098
Supplies and Services	20,761	16,689	15,625
Grants	4,858	9,112	9,092
Inter-Authority Services	78	22	-
Other	-	158	78
Total Expenses	\$ 36,642	\$ 37,302	\$ 34,893

(a) This includes \$78 (2007 - \$57) in achievement bonuses for management and non-union staff.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ 28	\$ -	\$ -	\$ 28	\$ 25
Co-Chair of the Authority	28	-	-	28	27
Board Members (6 members)	61	-	-	61	67
Chief Executive Officer	144	23	35	202	177

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$22 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
 YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 37,964	\$ 35,176	\$ -	\$ -
Recoveries - Inter-Authority Services	22	-	-	-
Prior-Year Revenue - First Nations Reserves	-	(3)	-	-
	\$ 37,986	\$ 35,173	\$ -	\$ -
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 29	\$ 18	\$ -	\$ -
Department of Children's Services	290	249	-	-
Department of Advanced Education and Technology	-	-	77	40
Department of Education	-	-	165	151
Department of Health and Wellness	-	-	667	644
Department of Service Alberta	-	-	17	14
	\$ 319	\$ 267	\$ 926	\$ 849
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 1,021	\$ 815	\$ -	\$ -
Calgary and Area Child and Family Services Authority	12	-	-	-
	\$ 1,033	\$ 815	\$ -	\$ -

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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 1,075	\$ 705
Administrative	434	410
Legal Services	1	1
	\$ 1,510	\$ 1,116

SOUTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
 YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

Program	2008										2007
	Expenses ⁽¹⁾	Expenses - Incurred by Others			Valuation Adjustments ⁽⁶⁾		Total Expenses	Total Expenses	Total Expenses	Total Expenses	Total Expenses
		Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts					
Child Care	\$ 4,817	\$ 50	\$ -	\$ -	\$ 5	\$ 44	\$ 4,916	\$ 4,865	\$ 4,916	\$ 4,865	
Family Support for Children with Disabilities	5,451	70	-	-	7	-	5,528	5,420	5,528	5,420	
Prevention of Family Violence and Bullying	-	10	-	-	1	-	11	7	11	7	
Parenting Resources Initiative	372	-	-	-	-	-	372	351	372	351	
Fetal Alcohol Spectrum Disorder Initiatives	515	-	-	-	-	-	515	490	515	490	
Child Intervention Services	16,556	764	-	-	80	-	17,400	15,506	17,400	15,506	
Foster Care Support	7,441	97	-	-	10	-	7,548	7,066	7,548	7,066	
Protecting Children from Sexual Exploitation	239	9	-	-	1	-	249	242	249	242	
Child and Youth Support	272	4	-	-	-	2	278	320	278	320	
Community Initiatives	91	5	-	-	1	-	97	129	97	129	
Program Support	1,239	66	434	1	7	-	1,747	1,476	1,747	1,476	
Board Governance	129	-	-	-	-	-	129	137	129	137	
Inter-Authority Services	22	-	-	-	-	-	22	-	22	-	
	\$ 37,144	\$ 1,075	\$ 434	\$ 1	\$ 112	\$ 46	\$ 38,812	\$ 36,009	\$ 38,812	\$ 36,009	

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific program.

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MARCH 31, 2008

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Auditor's Report

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

I have audited the statement of financial position of the Southeast Alberta Child and Family Services Authority (the Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 8, 2008

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

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 20,972	\$ 22,277	\$ 20,693
Other Revenue			
Inter-Authority Services	-	-	-
Other Revenue - Donations / External	19	24	32
	20,991	22,301	20,725
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	3,500	3,243	3,224
Family Support for Children with Disabilities	2,323	2,393	2,227
Prevention of Family Violence and Bullying	-	-	-
Parenting Resources Initiative	215	229	220
Fetal Alcohol Spectrum Disorder Initiatives	80	83	83
Keeping children, youth and families safe and protected:			
Child Intervention Services	10,186	11,613	9,961
Foster Care Support	3,623	3,938	3,624
Protecting Children from Sexual Exploitation	80	98	105
Child and Youth Support	110	99	109
Promoting healthy communities for children, youth and families:			
Community Initiatives	-	-	-
Support Services:			
Program Support	798	1,152	947
Board Governance	76	47	45
Amortization	-	1	-
Inter-Authority Services	-	-	-
Valuation Adjustments (Note 2)	-	116	94
TOTAL EXPENSES	20,991	23,012	20,639
Net Operating Results	\$ -	\$ (711)	\$ 86

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, 2008

	(IN THOUSANDS)	
	2008	2007
Assets		
Cash	\$ 405	\$ 830
Accounts Receivable (Note 4)	625	702
Prepaid Expenses	5	17
Tangible Capital Assets (Note 5)	5	6
	\$ 1,040	\$ 1,555
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 1,476	\$ 1,280
Net Assets (Liabilities)		
Net Assets at Beginning of Year	275	189
Net Operating Results	(711)	86
Net (Liabilities) Assets at End of Year	(436)	275
	\$ 1,040	\$ 1,555

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

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ (711)	\$ 86
Non-Cash Items included in Net Operating Results:		
Amortization	1	-
Valuation Adjustments	116	94
	<u>(594)</u>	<u>180</u>
Decrease (increase) in Accounts Receivable	77	(284)
Decrease in Prepays	12	2
Increase in Accounts Payable and Accrued Liabilities	80	73
Cash Provided by (applied to) Operating Transactions	<u>(425)</u>	<u>(29)</u>
Capital Transactions		
Acquisition of Tangible Capital Assets	-	(6)
Cash Provided by (applied to) Capital Transactions	<u>-</u>	<u>(6)</u>
Decrease in Cash	(425)	(35)
Cash, Beginning of Year	830	865
Cash, End of Year	<u><u>\$ 405</u></u>	<u><u>\$ 830</u></u>

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

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the authority.

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

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

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

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Asset /Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$20,972 on March 22, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$625 and \$1,476 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 20,972
Additional funding for the current year	<u>1,305</u>
Grant for the year	<u><u>\$ 22,277</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 582	\$ -	\$ 582	\$ 515
Refunds from Suppliers	89	46	43	187
	<u>\$ 671</u>	<u>\$ 46</u>	<u>\$ 625</u>	<u>\$ 702</u>

Accounts receivable are unsecured and non-interest bearing.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 5 Tangible Capital Assets
(in thousands)

	2008		2007
	Equipment*	Total	Total
Estimated Useful Life	5 years		
Historical Cost			
Beginning of Year	\$ 6	\$ 6	\$ -
Additions	-	-	6
	6	6	6
Accumulated Amortization			
Beginning of Year	-	-	-
Amortization Expense	1	1	-
	1	1	-
Net Book Value at March 31, 2008	5	5	
Net Book Value at March 31, 2007	\$ 6		\$ 6

*Equipment includes office equipment, furniture and other equipment.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 6 Accounts payable and accrued liabilities
 (in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 766	\$ 702
Accrued Vacation Pay and Manpower Expenses	664	562
Department of Children's Services	46	3
Child and Family Services Authorities	-	13
Other	-	-
	<u>\$ 1,476</u>	<u>\$ 1,280</u>

Note 7 Contractual obligations
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 64</u>	<u>\$ 107</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term Leases</u>
2009	\$ 30
2010	25
2011	9
2012	-
	<u>\$ 64</u>

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 8 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007—one legal claims). The two claims have specified amounts totalling \$325,000 (2007— one claim with a specified amount of \$6,500). The Authority is jointly named with other entities in these two claims. Neither claim is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 9 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$431 for the year ended March 31, 2008 (2007 – \$366).

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008 Budget	2008 Actual	2007 Actual
Salaries, Wages and Employee Benefits ^(a)	\$ 6,327	\$ 6,998	\$ 5,989
Supplies and Services	11,726	10,880	9,867
Grants	2,938	5,017	4,689
Inter-Authority Services	-	-	-
Other	-	117	94
Total Expenses	\$ 20,991	\$ 23,012	\$ 20,639

(a) This includes \$49 (2007 - \$37) in achievement bonuses for management and non-union staff.

SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ -	\$ 20	\$ -	\$ 20	\$ 19
Co-Chair of the Authority	-	13	-	13	17
Board Members (6 members)	-	24	-	24	30
Chief Executive Officer ⁽⁴⁾	138	22	35	195	183

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$20,632 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 22,277	\$ 20,693	\$ -	\$ -
Recoveries - Inter-Authority Services	-	-	-	-
Prior-Year Revenue - First Nations Reserves	-	-	-	-
	<u>\$ 22,277</u>	<u>\$ 20,693</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 51	\$ 230	\$ -	\$ -
Department of Children's Services	484	414	-	-
Department of Education	-	-	205	208
Department of Health and Wellness	-	-	275	230
Department of Employment, Immigration and Industry	-	-	5	6
Department of Service Alberta	-	-	9	8
	<u>\$ 535</u>	<u>\$ 644</u>	<u>\$ 494</u>	<u>\$ 452</u>
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 535	\$ 507	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	-	-	-	-
North Central Alberta Child and Family Services Authority	-	(13)	-	-
	<u>\$ 535</u>	<u>\$ 494</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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 922	\$ 635
Administrative	286	246
Legal Services	-	-
	<u>\$ 1,208</u>	<u>\$ 881</u>



SOUTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
 Year Ended March 31, 2008

Program	(IN THOUSANDS)									
	2008					2007				
	Expenses ⁽¹⁾		Expenses - Incurred by Others			Valuation Adjustments ⁽⁵⁾		Total		Total
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Expenses	Expenses	(Restated)	
Child Care	\$ 3,243	\$ 35	\$ -	\$ -	\$ 3	34	\$ 3,315	\$ 3,273		
Family Support for Children with Disabilities	2,393	47	-	-	4	-	2,444	2,275		
Prevention of Family Violence and Bullying	-	-	-	-	-	-	-	-	-	
Parenting Resources Initiative	229	-	-	-	-	-	229	220		
Fetal Alcohol Spectrum Disorder Initiatives	83	-	-	-	-	-	83	83		
Child Intervention Services	11,613	700	-	-	63	-	12,376	10,370		
Foster Care Support	3,938	47	-	-	4	-	3,989	3,800		
Protecting Children from Sexual Exploitation	98	12	-	-	1	-	111	113		
Child and Youth Support	99	11	-	-	1	-	111	111		
Community Initiatives	-	-	-	-	-	-	-	-	-	
Program Support	1,152	70	286	-	6	-	1,514	1,230		
Board Governance	47	-	-	-	-	-	47	45		
Inter-Authority Services	1	-	-	-	-	-	1	-		
	\$ 22,896	\$ 922	\$ 286	\$ -	\$ 82	\$ 34	\$ 24,220	\$ 21,520		

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific program.

FINANCIAL STATEMENTS

MARCH 31, 2008

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Auditor's Report

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

I have audited the statement of financial position of the Calgary and Area Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 15, 2008

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

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 201,748	\$ 208,333	\$ 194,620
Other Revenue			
Inter-Authority Services	-	76	131
Other Revenue	1,390	3,681	2,340
	203,138	212,090	197,091
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	27,338	22,466	22,643
Family Support for Children with Disabilities	35,290	37,821	37,133
Prevention of Family Violence and Bullying	531	555	522
Parenting Resources Initiative	1,823	1,892	1,797
Fetal Alcohol Spectrum Disorder Initiatives	1,108	1,238	1,129
Keeping children, youth and families safe and protected:			
Child Intervention Services	86,995	93,794	83,514
Foster Care Support	41,455	40,267	39,565
Protecting Children from Sexual Exploitation	1,484	1,500	1,304
Child and Youth Support	972	858	862
Promoting healthy communities for children, youth and families:			
Community Initiatives	3,114	3,281	3,132
Support Services:			
Program Support	2,878	3,973	3,486
Board Governance	150	85	83
Amortization	-	28	27
Inter-Authority Services	-	76	131
Valuation Adjustments (Note 2)	-	615	473
TOTAL EXPENSES	203,138	208,449	195,801
Net Operating Results	\$ -	\$ 3,641	\$ 1,290

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

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	2008	2007
Assets		
Cash	\$ 25,044	\$ 21,063
Accounts Receivable (Note 4)	4,554	4,285
Tangible Capital Assets (Note 5)	155	170
	\$ 29,753	\$ 25,518
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 15,469	\$ 14,875
Net Assets		
Net Assets at Beginning of Year	10,643	9,353
Net Operating Results	3,641	1,290
Net Assets at End of Year	14,284	10,643
	\$ 29,753	\$ 25,518

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

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 3,641	\$ 1,290
Non-Cash Items included in Net Operating Results:		
Amortization	28	27
Valuation Adjustments	615	473
	<u>4,284</u>	<u>1,790</u>
Increase in Accounts Receivable	(592)	(339)
Decrease in Prepayments	-	5,554
Increase in Accounts Payable and Accrued Liabilities	302	2,906
Cash Provided by Operating Transactions	<u>3,994</u>	<u>9,911</u>
Capital Transactions		
Acquisition of Tangible Capital Assets	<u>(13)</u>	<u>-</u>
Cash Applied to Capital Transactions	<u>(13)</u>	<u>-</u>
Increase in Cash	3,981	9,911
Cash, Beginning of Year	21,063	11,152
Cash, End of Year	<u><u>\$ 25,044</u></u>	<u><u>\$ 21,063</u></u>

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

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$203,138 on November 20, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$4,554 and \$15,469 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 201,748
Additional funding for the current year	<u>6,585</u>
Grant for the year	<u><u>\$ 208,333</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 4,071	\$ -	\$ 4,071	\$ 3,647
Refunds from suppliers	976	493	483	638
	<u>\$ 5,047</u>	<u>\$ 493</u>	<u>\$ 4,554</u>	<u>\$ 4,285</u>

Accounts receivable are unsecured and non-interest bearing.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Tangible Capital Assets
 (in thousands)

	Equipment*	Leasehold Improvements	Computer hardware and software	2008 Total	2007 Total
Estimated Useful Life	10 Years	7 Years	5 Years		
Historical Cost					
Beginning of Year	\$ 186	\$ 59	\$ 329	\$ 574	\$ 574
Additions	13	-	-	13	-
	<u>199</u>	<u>59</u>	<u>329</u>	<u>587</u>	<u>574</u>
Accumulated Amortization					
Beginning of Year	49	26	329	404	377
Amortization Expense	20	8	-	28	27
	<u>69</u>	<u>34</u>	<u>329</u>	<u>432</u>	<u>404</u>
Net Book Value at March 31, 2008	<u>130</u>	<u>25</u>	<u>-</u>	<u>155</u>	
Net Book Value at March 31, 2007	<u>\$ 137</u>	<u>\$ 33</u>	<u>\$ -</u>		<u>\$ 170</u>

*Equipment includes office equipment, furniture and other equipment

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 6 Accounts payable and accrued liabilities
 (in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 11,162	\$ 10,967
Accrued Vacation Pay and Manpower Expenses	4,162	3,825
Department of Children's Services	89	73
Child and Family Services Authorities	26	8
Other	30	2
	<u>\$ 15,469</u>	<u>\$ 14,875</u>

Note 7 Contractual obligations
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	\$ 39	\$ 75

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term</u> <u>Leases</u>
2009	\$ 27
2010	11
2011	1
	<u>\$ 39</u>

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 8 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in six legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007–five legal claims). The six claims have specified amounts totalling \$365,930 (2007–five claims with a specified amount of \$12,225). In each of these claims, the Authority is jointly named with other entities. Three claims amounting to \$40,180 (2007–two claims amounting to \$675) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 9 Third Party Agreements
(in thousands)

The Authority has entered into third party agreements with Student Health Partnership and Seniors and Community Supports to deliver various program services. The revenues (not in brackets in the table below) of \$917 (2007 - \$869) and expenses (in brackets in the table below) of \$547 (2007 - \$607) are included in the financial statements.

	<u>2008</u>	<u>2007</u>
Student Health Partnership	\$ 917	\$ 869
Seniors and Community Supports	(547)	(607)
	<u>\$ 370</u>	<u>\$ 262</u>

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 10 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$2,687 for the year ended March 31, 2008 (2007 – \$2,373).

Note 11 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 12 Approval of Financial Statements

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

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	<u>2008 Budget</u>	<u>2008 Actual</u>	<u>2007 Actual</u>
Salaries, Wages and Employee Benefits ^(a)	\$ 40,373	\$ 41,338	\$ 37,175
Supplies and Services	138,175	111,268	102,269
Supplies and Services from support service arrangements with related parties ^(b)	-	547	607
Grants	24,540	54,553	55,102
Amortization of Capital Assets	-	28	27
Inter-Authority Services	-	76	131
Other	50	639	490
Total Expenses	<u>\$ 203,138</u>	<u>\$ 208,449</u>	<u>\$ 195,801</u>

(a) This includes \$195 (2007 - \$172) in achievement bonuses for management and non-union staff.

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

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority ⁽⁴⁾	\$ -	\$ 15	\$ -	\$ 15	\$ 10
Co-Chair of the Authority ⁽⁵⁾	-	10	-	10	12
Board Members (8 members)	-	34	-	34	42
Chief Executive Officer ⁽⁶⁾	205	29	11	245	221

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$19 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by two different individuals during the year.
- (5) The position was occupied by two different individuals during the year.
- (6) Automobile provided, no dollar amount included in other non-cash benefits.

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 208,333	\$ 194,620	\$ -	\$ -
Recoveries - Inter-Authority Services	76	131	-	-
Prior-Year Revenue - First Nations Reserves	42	17	-	-
Miscellaneous Revenue:				
Department of Education	-	-	917	869
	<u>\$ 208,451</u>	<u>\$ 194,768</u>	<u>\$ 917</u>	<u>\$ 869</u>
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 74	\$ 5	\$ -	\$ -
Department of Children's Services	2,321	1,989	-	-
Department of Advanced Education and Technology	-	-	223	267
Department of Education	-	-	1,545	869
Department of Health and Wellness	-	-	1,282	1,244
Department of Service Alberta	-	-	75	91
Persons with Developmental Disabilities	-	-	547	607
	<u>\$ 2,395</u>	<u>\$ 1,994</u>	<u>\$ 3,672</u>	<u>\$ 3,078</u>
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 3,982	\$ 3,505	\$ -	\$ -
Southwest Alberta Child and Family Services Authority	(12)	-	-	-
Edmonton and Area Child and Family Services Authority	(14)	(5)	-	-
North Central Alberta Child and Family Services Authority	-	(3)	-	-
	<u>\$ 3,956</u>	<u>\$ 3,497</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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 4,638	\$ 4,593
Administrative	1,937	1,843
Legal Services	1,381	1,126
	<u>\$ 7,956</u>	<u>\$ 7,562</u>

CALGARY AND AREA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4

YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

Program	2008						2007	
	Expenses ⁽¹⁾	Expenses - Incurred by Others			Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses
		Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts		
Child Care	\$ 22,466	\$ 244	\$ 102	\$ -	\$ 17	\$ 270	\$ 23,099	\$ 23,236
Family Support for Children with Disabilities	37,821	371	155	-	26	15	38,388	37,585
Prevention of Family Violence and Bullying	555	-	-	-	-	-	555	522
Parenting Resources Initiative	1,892	-	-	-	-	-	1,892	1,797
Fetal Alcohol Spectrum Disorder Initiatives	1,238	-	-	-	-	-	1,238	1,129
Child Intervention Services	93,794	3,751	1,566	1,381	260	-	100,752	89,452
Foster Care Support	40,267	151	63	-	11	7	40,499	39,787
Protecting Children from Sexual Exploitation	1,500	-	-	-	-	-	1,500	1,304
Child and Youth Support	858	17	7	-	1	-	883	876
Community Initiatives	3,281	9	4	-	1	-	3,295	3,146
Program Support	3,973	95	40	-	7	-	4,115	3,629
Board Governance	85	-	-	-	-	-	85	83
Inter-Authority Services	76	-	-	-	-	-	76	131
Amortization	28	-	-	-	-	-	28	27
	\$ 207,834	\$ 4,638	\$ 1,937	\$ 1,381	\$ 323	\$ 292	\$ 216,405	\$ 202,704

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific program.



FINANCIAL STATEMENTS

MARCH 31, 2008

Auditor's Report Statement of Operations

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Schedule 1 - Expenses - Directly Incurred Detailed by Object

Schedule 2 - Salary and Benefits Disclosure

Schedule 3 - Related Party Transactions

Schedule 4 - Allocated Costs



Auditor's Report

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

I have audited the statement of financial position of the Central Alberta Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 14, 2008

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

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 62,284	\$ 65,143	\$ 59,868
Other Revenue			
Inter-Authority Services	75	68	44
Other Revenue - Donations / External	600	1,785	8
	62,959	66,996	59,920
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	6,929	5,883	5,163
Family Support for Children with Disabilities	9,867	9,905	9,963
Prevention of Family Violence and Bullying	637	422	655
Parenting Resources Initiative	825	885	825
Fetal Alcohol Spectrum Disorder Initiatives	229	272	265
Keeping children, youth and families safe and protected:			
Child Intervention Services	26,485	27,724	24,521
Foster Care Support	13,324	14,639	13,183
Protecting Children from Sexual Exploitation	249	898	762
Child and Youth Support	466	387	396
Promoting healthy communities for children, youth and families:			
Community Initiatives	1,518	1,553	1,362
Support Services:			
Program Support	2,104	2,275	1,914
Board Governance	251	341	258
Amortization	-	1	1
Inter-Authority Services	75	68	44
Valuation Adjustments (Note 2)	-	311	(21)
TOTAL EXPENSES	62,959	65,564	59,291
Net Operating Results	\$ -	\$ 1,432	\$ 629

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

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	2008	2007
Assets		
Cash	\$ 4,309	\$ 3,769
Accounts Receivable (Note 4)	2,346	1,702
Advances	1	1
Tangible Capital Assets (Note 5)	3	4
	\$ 6,659	\$ 5,476
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 4,900	\$ 5,148
Net Assets		
Net Assets (Liabilities) at Beginning of Year	327	(301)
Net Operating Results	1,432	629
Net Assets at End of Year	1,759	328
	\$ 6,659	\$ 5,476

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

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 1,432	\$ 629
Non-Cash Items included in Net Operating Results:		
Amortization	1	1
Valuation Adjustments	311	(21)
	<u>1,744</u>	<u>609</u>
Decrease (Increase) in Accounts Receivable	(956)	1,515
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>(248)</u>	<u>1,262</u>
Cash Provided by Operating Transactions	<u>540</u>	<u>3,386</u>
Increase in Cash	540	3,386
Cash, Beginning of Year	3,769	383
Cash, End of Year	<u><u>\$ 4,309</u></u>	<u><u>\$ 3,769</u></u>

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

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

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

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$62,959 on February 4, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$2,346 and \$4,900 respectively in these financial statements are subject to measurement

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 62,284
Additional funding for the current year	2,859
Grant for the year	\$ 65,143

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 1,585	\$ -	\$ 1,585	\$ 1,274
Accounts Receivable	699		699	\$ 428
Refunds from suppliers	62	-	62	-
	<u>\$ 2,346</u>	<u>\$ -</u>	<u>\$ 2,346</u>	<u>\$ 1,702</u>

Accounts receivable are unsecured and non-interest bearing.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Tangible Capital Assets
(in thousands)

	<u>Equipment* 2008 Total</u>		<u>2007 Total</u>
Estimated Useful Life	10 years		
Historical Cost			
Beginning of Year	\$ 7	\$ 7	\$ 7
Additions	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7</u>	<u>7</u>	<u>7</u>
Accumulated Amortization			
Beginning of Year	3	3	2
Amortization Expense	<u>1</u>	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>	<u>3</u>
Net Book Value at March 31, 2008	<u>3</u>		
Net Book Value at March 31, 2007	<u>\$ 4</u>		<u>\$ 4</u>

*Equipment includes office equipment, furniture and other equipment.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 6 Accounts Payable and Accrued Liabilities
 (in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 2,787	\$ 3,555
Accrued Vacation Pay and Manpower Expenses	1,733	1,380
Department of Children's Services	195	206
Child and Family Services Authorities	-	4
Other	185	3
	<u>\$ 4,900</u>	<u>\$ 5,148</u>

Note 7 Contractual Obligations
 (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	\$ 154	\$ 313

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term Leases</u>
2009	\$ 95
2010	48
2011	11
2012	-
	<u>\$ 154</u>

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 8 Contingent Liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007–three legal claims). The three claims have specified amounts totalling \$326,150 (2007–three claims with a specified amount of \$6,885). The Authority is jointly named with other entities in these three claims. One claim amounting to \$1,150 (2007–one claim amounting to \$135) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 9 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$1,111 for the year ended March 31, 2008 (2007 – \$939).

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008 Budget	2008 Actual	2007 Actual
Salaries, Wages and Employee Benefits ^(a)	\$ 17,064	\$ 16,975	\$ 14,687
Supplies and Services	39,294	35,133	31,149
Grants	6,601	13,076	13,431
Amortization of Capital Assets	-	1	1
Inter-Authority Services	-	68	44
Other	-	311	(21)
Total Expenses	\$ 62,959	\$ 65,564	\$ 59,291

(a) This includes \$117 (2007 - \$93) in achievement bonuses for management and non-union staff

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ -	\$ 38	\$ -	\$ 38	\$ 37
Co-Chair of the Authority	-	31	-	31	34
Board Members (13 members)	-	175	-	175	154
Chief Executive Officer ^{(4) (5)}	125	32	33	190	171

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments.
 Co-chairs and board members receive honoraria only.
 The Department of Children's Services paid \$27 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by two different individuals during the year.
- (5) Automobile provided, no dollar amount included in other non-cash benefits.

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 65,143	\$ 59,868	\$ -	\$ -
Recoveries - Inter-Authority Services	68	44	-	-
	<u>\$ 65,211</u>	<u>\$ 59,912</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 76	\$ 109	\$ -	\$ -
Department of Children's Services	774	663	-	-
Department of Advanced Education and Technology	-	-	6	-
Department of Education	-	-	1,474	280
Department of Health and Wellness	-	-	162	108
Department of Service Alberta	-	-	38	20
	<u>\$ 850</u>	<u>\$ 772</u>	<u>\$ 1,680</u>	<u>\$ 408</u>
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 1,390	\$ 1,067	\$ -	\$ -
East Central Alberta Child and Family Services Authority	7	-	-	-
Edmonton and Area Child and Family Services Authority	5	6	-	-
Metis Settlements Child And Family Services Authority	-	(1)	-	-
Department of Health and Wellness	-	-	-	89
Persons with Developmental Disabilities	-	-	6	52
	<u>\$ 1,402</u>	<u>\$ 1,072</u>	<u>\$ 6</u>	<u>\$ 141</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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 2,173	\$ 1,768
Administrative	734	657
Legal Services	35	46
	<u>\$ 2,942</u>	<u>\$ 2,471</u>

CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
 YEAR ENDED MARCH 31, 2008

Program	(IN THOUSANDS)									
	2008					2007				
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Valuation Adjustments ⁽⁵⁾	Total Expenses	Expenses	Doubtful Accounts	Total Expenses	Total Expenses
Child Care	\$ 5,883	\$ 90	\$ 30	\$ -	\$ 13	\$ 6,016	\$ -	\$ -	\$ 6,016	\$ 5,261
Family Support for Children with Disabilities	9,905	216	73	-	31	10,225	-	-	10,225	10,212
Prevention of Family Violence and Bullying	422	11	4	-	2	439	-	-	439	669
Parenting Resources Initiative	885	-	-	-	-	885	-	-	885	825
Fetal Alcohol Spectrum Disorder Initiatives	272	-	-	-	-	272	-	-	272	265
Child Intervention Services	27,724	1,520	512	35	217	30,008	-	-	30,008	26,210
Foster Care Support	14,639	135	46	-	19	14,839	-	-	14,839	13,326
Protecting Children from Sexual Exploitation	898	5	2	-	1	906	-	-	906	769
Child and Youth Support	387	5	2	-	1	395	-	-	395	400
Community Initiatives	1,553	58	20	-	8	1,639	-	-	1,639	1,447
Program Support	2,275	133	45	-	19	2,472	-	-	2,472	2,075
Board Governance	341	-	-	-	-	341	-	-	341	258
Inter-Authority Services	68	-	-	-	-	68	-	-	68	44
Amortization	1	-	-	-	-	1	-	-	1	1
	\$ 65,253	\$ 2,173	\$ 734	\$ 35	\$ 311	\$ 68,506	\$ -	\$ -	\$ 68,506	\$ 61,762

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

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

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

(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services program

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

- Vacation pay is allocated by the number of employees per program.
 - Doubtful Accounts Provision is allocated to specific program.

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Auditor's Report

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

I have audited the statement of financial position of the East Central Alberta Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 9, 2008

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

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 19,028	\$ 19,535	\$ 18,013
Other Revenue			
Other Revenue	-	15	28
	<u>19,028</u>	<u>19,550</u>	<u>18,041</u>
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	1,627	1,312	1,504
Family Support for Children with Disabilities	3,588	4,281	3,705
Prevention of Family Violence and Bullying	-	-	-
Parenting Resources Initiative	368	419	367
Fetal Alcohol Spectrum Disorder Initiatives	48	46	46
Keeping children, youth and families safe and protected:			
Child Intervention Services	7,419	7,938	6,963
Foster Care Support	3,575	3,418	3,261
Protecting Children from Sexual Exploitation	89	74	74
Child and Youth Support	198	188	205
Promoting healthy communities for children, youth and families:			
Community Initiatives	901	912	538
Support Services:			
Program Support	1,127	1,607	1,234
Board Governance	88	84	67
Valuation Adjustments (Note 2)	-	51	11
TOTAL EXPENSES	<u>19,028</u>	<u>20,330</u>	<u>17,975</u>
Net Operating Results	<u>\$ -</u>	<u>\$ (780)</u>	<u>\$ 66</u>

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

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 1,282	\$ 1,681
Accounts Receivable (Note 4)	557	771
	<u>\$ 1,839</u>	<u>\$ 2,452</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 1,684	\$ 1,517
Net Assets		
Net Assets at Beginning of Year	935	869
Net Operating Results	(780)	66
Net Assets at End of Year	<u>155</u>	<u>935</u>
	<u>\$ 1,839</u>	<u>\$ 2,452</u>

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

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ (780)	\$ 66
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	51	11
	<u>(729)</u>	<u>77</u>
Decrease in Accounts Receivable	214	(258)
Increase in Accounts Payable and Accrued Liabilities	116	464
Cash Provided by (applied to) Operating Transactions	<u>(399)</u>	<u>283</u>
Decrease in Cash	(399)	283
Cash, Beginning of Year	1,681	1,398
Cash, End of Year	<u><u>\$ 1,282</u></u>	<u><u>\$ 1,681</u></u>

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

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

INCURRED BY OTHERS

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Asset /Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$19,028 on March 27, 2007.

Measurement Uncertainty (in thousands)

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$557 and \$1,684 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear and aging analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

Note 3 Grants from the Department of Children's Services (in thousands)

The grant is determined as follows:

Initial (original) budget	\$ 19,028
Additional funding for the current year	<u>507</u>
Grant for the year	<u><u>\$ 19,535</u></u>

Note 4 Accounts Receivable (in thousands)

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 448	\$ -	\$ 448	\$ 439
Refunds from Suppliers	109	-	109	332
	<u><u>\$ 557</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 557</u></u>	<u><u>\$ 771</u></u>

Accounts receivable are unsecured and non-interest bearing.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Accounts payable and accrued liabilities (in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 1,438	\$ 746
Accrued Vacation Pay and Manpower Expenses	139	435
Department of Children's Services	48	269
Child and Family Services Authorities	59	67
	<u>\$ 1,684</u>	<u>\$ 1,517</u>

Note 6 Contractual obligations (in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 77</u>	<u>\$ 172</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term Leases</u>
2009	\$ 44
2010	29
2011	4
	<u>\$ 77</u>

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 7 Contingent Liabilities (in thousands)

At March 31, 2008, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007—two legal claims). The two claims have specified amounts totalling \$325,000 (2007—one claim with a specified amount of \$6,500). The Authority is jointly named with other entries in these two claims. One claim amounting to \$318,500 (2007—one claim amounting to \$6,500) is not covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 8 Defined Benefit Plans (in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$350 for the year ended March 31, 2008 (2007 – \$306).

Note 9 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 10 Approval of Financial Statements

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

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
Salaries, Wages and Employee Benefits ^(a)	\$ 4,801	\$ 4,980	\$ 4,522
Supplies and Services	12,816	10,483	9,012
Grants	1,411	4,816	4,430
Other	-	51	11
Total Expenses	<u>\$ 19,028</u>	<u>\$ 20,330</u>	<u>\$ 17,975</u>

(a) This includes \$54 (2007 - \$48) in achievement bonuses for management and non-union staff.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ -	\$ 19	\$ -	\$ 19	\$ 16
Co-Chair of the Authority	-	19	-	19	22
Board Members (6 members)	-	40	-	40	27
Chief Executive Officer ^{(4) (5)}	144	15	29	188	171

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$13 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by two different individuals during the year.
- (5) Automobile provided, no dollar amount included in other non-cash benefits.

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 19,535	\$ 18,013	\$ -	\$ -
	\$ 19,535	\$ 18,013	\$ -	\$ -
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 286	\$ 382	\$ -	\$ -
Department of Children's Services	290	249	-	-
Department of Advanced Education and Technology	-	-	37	-
Department of Education	-	-	553	507
Department of Health and Wellness	-	-	60	78
Department of Service Alberta	-	-	19	5
	\$ 576	\$ 631	\$ 669	\$ 590
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 401	\$ 164	\$ -	\$ -
Central Alberta Child and Family Services Authority	(6)	3	-	-
Edmonton and Area Child and Family Services Authority	(38)	(42)	-	-
North Central Alberta Child and Family Services Authority	(15)	(25)	-	-
Metis Settlements Child And Family Services Authority	-	3	-	-
Department of Service Alberta	(10)	-	-	-
	\$ 332	\$ 103	\$ -	\$ -

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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 659	\$ 594
Administrative	219	192
Legal Services	65	49
	\$ 943	\$ 835

EAST CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
YEAR ENDED MARCH 31, 2008

Program	(IN THOUSANDS)									
	2008					2007				
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses	Total Expenses	Total Expenses
Child Care	\$ 1,312	\$ 10	\$ 3	\$ -	\$ 1	\$ -	\$ 1,326	\$ -	\$ 1,326	\$ 1,544
Family Support for Children with Disabilities	4,281	90	30	-	7	-	4,408	-	4,408	3,825
Prevention of Family Violence and Bullying	-	10	3	-	1	-	14	-	14	-
Parenting Resources Initiative	419	-	-	-	-	-	419	-	419	367
Fetal Alcohol Spectrum Disorder Initiatives	46	-	-	-	-	-	46	-	46	46
Child Intervention Services	7,938	345	115	65	27	-	8,490	-	8,490	7,516
Foster Care Support	3,418	34	11	-	3	-	3,466	-	3,466	3,261
Protecting Children from Sexual Exploitation	74	-	-	-	-	-	74	-	74	74
Child and Youth Support	188	5	2	-	-	-	195	-	195	210
Community Initiatives	912	8	3	-	-	-	923	-	923	538
Program Support	1,607	157	52	-	12	-	1,828	-	1,828	1,362
Board Governance	84	-	-	-	-	-	84	-	84	67
	\$ 20,279	\$ 659	\$ 219	\$ 65	\$ 51	\$ -	\$ 21,273	\$ -	\$ 21,273	\$ 18,810

- (1) Expenses - Directly incurred as per the Statement of Operations, excluding valuation adjustment.
(2) Accommodation costs (includes grants in lieu of taxes), which were paid by the Department of Infrastructure and Transportation, represent the East Central Alberta Child and Family Services Authority's buildings costs allocated by the number of Authority employees per program.
(3) Administration costs for financial, human resources, and administrative services provided by the Department of Service Alberta and paid for by the Department of Children's Services.
(4) Costs for legal services, which were paid by the Department of Justice and Attorney General, were allocated to the Child Intervention Services Program since the legal services provided were in relation to proceedings under the *Child Youth and Family Enhancement Act*.
(5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:
- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific program.

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MARCH 31, 2008

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Auditor's Report

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

I have audited the statement of financial position of the Edmonton and Area Child and Family Services Authority (the Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 14, 2008

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

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 267,014	\$ 274,944	\$ 261,099
Other Revenue			
Inter-Authority Services	605	490	552
Other Revenue - Donations / External	2,000	2,764	2,688
	269,619	278,198	264,339
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	38,217	34,516	35,276
Family Support for Children with Disabilities	30,599	31,688	29,979
Prevention of Family Violence and Bullying	472	403	387
Parenting Resources Initiative	2,904	2,950	2,914
Fetal Alcohol Spectrum Disorder Initiatives	893	1,596	1,538
Keeping children, youth and families safe and protected:			
Child Intervention Services	131,126	137,081	128,515
Foster Care Support	54,650	58,263	52,682
Protecting Children from Sexual Exploitation	2,169	2,136	1,943
Child and Youth Support	1,375	1,436	1,358
Promoting healthy communities for children, youth and families:			
Community Initiatives	1,861	1,912	1,802
Support Services:			
Program Support	4,598	4,912	4,419
Board Governance	150	165	152
Amortization	-	-	6
Inter-Authority Services	605	490	552
Valuation Adjustments (Note 2)	-	593	343
TOTAL EXPENSES	269,619	278,141	261,866
Net Operating Results	\$ -	\$ 57	\$ 2,473

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

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 12,713	\$ 14,103
Accounts Receivable (Note 4)	9,642	8,927
Advances	-	11
	<u>\$ 22,355</u>	<u>\$ 23,041</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 17,955</u>	<u>\$ 18,698</u>
Net Assets		
Net Assets at Beginning of Year	4,343	1,870
Net Operating Results	57	2,473
Net Assets at End of Year	<u>4,400</u>	<u>4,343</u>
	<u>\$ 22,355</u>	<u>\$ 23,041</u>

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

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 57	\$ 2,473
Non-Cash Items included in Net Operating Results:		
Amortization	-	6
Valuation Adjustments	593	343
	<u>650</u>	<u>2,822</u>
(Increase) Decrease in Accounts Receivable	(905)	1,187
Decrease (Increase) in Advances	11	(8)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	<u>(1,146)</u>	<u>1,099</u>
Cash (Applied to) Provided by Operating Transactions	<u>(1,390)</u>	<u>5,100</u>
(Decrease) Increase in Cash	(1,390)	5,100
Cash, Beginning of Year	14,103	9,003
Cash, End of Year	<u><u>\$ 12,713</u></u>	<u><u>\$ 14,103</u></u>

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

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$269,619 on May 1, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$9,642 and \$17,955 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 267,014
Additional funding for the current year	<u>7,930</u>
Grant for the year	<u><u>\$ 274,944</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 6,874	\$ -	\$ 6,874	\$ 6,662
Refunds from Suppliers	<u>3,268</u>	<u>(500)</u>	<u>2,768</u>	<u>2,265</u>
	<u><u>\$ 10,142</u></u>	<u><u>\$ (500)</u></u>	<u><u>\$ 9,642</u></u>	<u><u>\$ 8,927</u></u>

Accounts receivable are unsecured and non-interest bearing.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Accounts payable and accrued liabilities
(in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 10,097	\$ 11,416
Accrued Vacation Pay and Manpower Expenses	6,843	6,426
Department of Children's Services	560	573
Child and Family Services Authorities	455	283
	<u>\$ 17,955</u>	<u>\$ 18,698</u>

Note 6 Contractual obligations
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

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

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 113</u>	<u>\$ 147</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term Leases</u>
2009	\$ 63
2010	43
2011	7
	<u>\$ 113</u>

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 7 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in fourteen legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007 – eleven legal claims). Eleven claims have specified amounts totalling \$449,196 (2007 – nine claims with a specified amount of \$129,781). The Authority is jointly named with other entities in eight claims. Ten claims amounting to \$124,196 (2007 – ten claims amounting to \$123,281) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 8 Third Party Agreements
(in thousands)

The Authority has entered into one third party agreement with Edmonton Student Health Partnership, to deliver integrated health and related support services for children with special health needs registered in school programs. All costs incurred under this agreement are covered by reimbursement from Edmonton Catholic Schools. The following amounts are included in the financial statements:

	<u>2008</u>	<u>2007</u>
Edmonton Student Health Partnership Revenues	\$ 1,905	\$ 1,790
Edmonton Student Health Partnership Expenses	<u>(1,905)</u>	<u>(1,790)</u>
	<u>\$ -</u>	<u>\$ -</u>

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 9 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$4,336 for the year ended March 31, 2008 (2007 – \$3,848).

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	<u>2008 Budget</u>	<u>2008 Actual</u>	<u>2007 Actual</u>
Salaries, Wages and Employee Benefits ^(a)	\$ 63,187	\$ 68,716	\$ 62,945
Supplies and Services ^(b)	170,078	150,374	140,520
Grants	35,749	57,968	57,500
Amortization of Capital Assets	-	-	6
Inter-Authority Services	605	490	552
Other	-	593	343
Total Expenses	<u>\$ 269,619</u>	<u>\$ 278,141</u>	<u>\$ 261,866</u>

(a) This includes \$285 (2007 - \$244) in achievement bonuses for management and non-union staff.

(b) The Authority receives residential placement services from the Department of Solicitor General and Public Security.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ -	\$ 23	\$ -	\$ 23	\$ 20
Co-Chair of the Authority	-	21	-	21	19
Board Members (13 members)	-	105	-	105	102
Chief Executive Officer ⁽⁴⁾	149	53	11	213	228

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$14 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by two different individuals during the year.

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 274,944	\$ 261,099	\$ -	\$ -
Recoveries - Inter-Authority Services	490	552	-	-
Miscellaneous Revenue:				
Department of Education	-	-	1,905	1,790
Department of Seniors and Community Supports	-	-	136	-
	\$ 275,434	\$ 261,651	\$ 2,041	\$ 1,790
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 2,942	\$ 1,794	\$ -	\$ -
Department of Children's Services	2,998	2,569	-	-
Department of Advanced Education and Technology	-	-	114	90
Department of Education	-	-	642	829
Department of Health and Wellness	-	-	575	625
Department of Service Alberta	-	-	112	107
Department of Solicitor General and Public Security	-	-	10	-
	\$ 5,940	\$ 4,363	\$ 1,453	\$ 1,651

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3 (CONTINUED)
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 6,314	\$ 6,089	\$ -	\$ -
Calgary and Area Child and Family Services Authority	14	5	-	-
Central Alberta Child and Family Services Authority	(5)	(8)	-	-
East Central Alberta Child and Family Services Authority	38	42	-	-
Edmonton and Area Child and Family Services Authority	-	-	-	-
North Central Alberta Child and Family Services Authority	4	57	-	-
Northwest Alberta Child and Family Services Authority	(34)	-	-	-
Northeast Alberta Child and Family Services Authority	(11)	-	-	-
Metis Settlements Child And Family Services Authority	(379)	(241)	-	-
Department of Education	-	-	1,135	620
Department of Solicitor General and Public Security	-	-	(10)	-
Department of Seniors and Community Supports	-	-	14	31
	\$ 5,941	\$ 5,944	\$ 1,139	\$ 651

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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4:

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 6,499	\$ 5,833
Administrative	2,948	2,999
Legal Services	2,046	1,709
	\$ 11,493	\$ 10,541

EDMONTON AND AREA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

Program	2008										2007
	Expenses - Incurred by Others					Valuation Adjustments ⁽⁵⁾					Total Expenses
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses			
Child Care	\$ 34,516	\$ 300	\$ -	\$ -	\$ 19	\$ 173	\$ 35,008	\$ 35,008	\$ 35,569		
Family Support for Children with Disabilities	31,688	627	-	-	39	-	32,354	32,354	30,868		
Prevention of Family Violence and Bullying	403	8	-	-	-	-	411	411	394		
Parenting Resources Initiative	2,950	-	-	-	-	-	2,950	2,950	2,914		
Fetal Alcohol Spectrum Disorder Initiatives	1,596	-	-	-	-	-	1,596	1,596	1,538		
Child Intervention Services	137,081	4,749	2,948	2,046	294	17	147,135	147,135	179,145		
Foster Care Support	58,263	303	-	-	19	-	58,585	58,585	11,435		
Protecting Children from Sexual Exploitation	2,136	222	-	-	14	-	2,372	2,372	2,024		
Child and Youth Support	1,436	13	-	-	1	-	1,450	1,450	1,370		
Community Initiatives	1,912	150	-	-	9	-	2,071	2,071	1,932		
Program Support	4,912	127	-	-	8	-	5,047	5,047	4,508		
Board Governance	165	-	-	-	-	-	165	165	152		
Inter-Authority Services	490	-	-	-	-	-	490	490	552		
Amortization	-	-	-	-	-	-	-	-	6		
	\$ 277,548	\$ 6,499	\$ 2,948	\$ 2,046	\$ 403	\$ 190	\$ 289,634	\$ 289,634	\$ 272,407		

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

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

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

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

(5) Valuation Adjustment as per the Statement of Operations. Employee Benefits and Doubtful Accounts provisions included in Valuation Adjustments were allocated as follows:
 - Vacation pay is allocated by the number of employees per program.
 - Doubtful Accounts provision is allocated to specific programs.

FINANCIAL STATEMENTS

MARCH 31, 2008

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Auditor's Report

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

I have audited the statement of financial position of the North Central Alberta Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 14, 2008

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

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 44,444	\$ 45,811	\$ 43,503
Other Revenue			
Inter-Authority Services	395	575	829
Other Revenue - Donations / External	-	118	702
	44,839	46,504	45,034
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	3,706	3,356	3,220
Family Support for Children with Disabilities	4,440	4,006	4,323
Prevention of Family Violence and Bullying	-	-	-
Parenting Resources Initiative	684	790	763
Fetal Alcohol Spectrum Disorder Initiatives	175	488	442
Keeping children, youth and families safe and protected:			
Child Intervention Services	22,791	22,820	22,499
Foster Care Support	10,160	12,069	9,803
Protecting Children from Sexual Exploitation	140	62	20
Child and Youth Support	540	501	493
Promoting healthy communities for children, youth and families:			
Community Initiatives	187	19	72
Support Services:			
Program Support	1,368	1,462	1,164
Board Governance	240	185	181
Amortization	13	13	13
Inter-Authority Services	395	575	829
Valuation Adjustments (Note 2)	-	80	86
TOTAL EXPENSES	44,839	46,426	43,908
Net Operating Results	\$ -	\$ 78	\$ 1,126

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

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	2008	2007
Assets		
Cash	\$ 6,868	\$ 7,044
Accounts Receivable (Note 4)	1,663	1,572
Prepaid Expenses	8	-
Tangible Capital Assets (Note 5)	6	19
	<u>\$ 8,545</u>	<u>\$ 8,635</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	<u>\$ 3,276</u>	<u>\$ 3,444</u>
Net Assets		
Net Assets at Beginning of Year	5,191	4,065
Net Operating Results	78	1,126
Net Assets at End of Year	<u>5,269</u>	<u>5,191</u>
	<u>\$ 8,545</u>	<u>\$ 8,635</u>

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

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 78	\$ 1,126
Non-Cash Items included in Net Operating Results:		
Amortization	13	13
Valuation Adjustments	80	86
	<u>171</u>	<u>1,225</u>
(Decrease) in Accounts Receivable	(91)	(61)
(Increase) Decrease in Prepayments	(8)	3
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>(248)</u>	<u>174</u>
Cash Provided by (applied to) Operating Transactions	<u>(176)</u>	<u>1,341</u>
Increase in Cash	(176)	1,341
Cash, Beginning of Year	7,044	5,703
Cash, End of Year	<u><u>\$ 6,868</u></u>	<u><u>\$ 7,044</u></u>

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

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the Authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$44,839 on March 21, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,663 and \$3,276 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 44,444
Additional funding for the current year	<u>1,367</u>
Grant for the year	<u>\$ 45,811</u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 1,147	\$ -	\$ 1,147	\$ 1,296
Child and Family Services Authorities	71	-	71	125
Refunds from Suppliers	158	-	158	13
Accounts Receivable - Other	287	-	287	138
	<u>\$ 1,663</u>	<u>\$ -</u>	<u>\$ 1,663</u>	<u>\$ 1,572</u>

Accounts receivable are unsecured and non-interest bearing.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Tangible Capital Assets
(in thousands)

	Equipment*	2008 Total	2007 Total
Estimated Useful Life	5 Years		
Historical Cost			
Beginning of Year	\$ 63	\$ 63	\$ 63
Additions	-	-	-
	63	63	63
Accumulated Amortization			
Beginning of Year	44	44	31
Amortization Expense	13	13	13
	57	57	44
Net Book Value at March 31, 2008	6	6	
Net Book Value at March 31, 2007	\$ 19		\$ 19

*Equipment includes office equipment, furniture and other equipment.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 6 Accounts payable and accrued liabilities
(in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 1,918	\$ 2,097
Accrued Vacation Pay and Manpower Expenses	1,145	1,061
Department of Children's Services	112	106
Child and Family Services Authorities	<u>101</u>	<u>180</u>
	<u>\$ 3,276</u>	<u>\$ 3,444</u>

Note 7 Contractual obligations
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 174</u>	<u>\$ 436</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term Leases</u>
2009	\$ 126
2010	45
2011	<u>3</u>
	<u>\$ 174</u>

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 8 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in six legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007 – five legal claims). Five claims have specified amounts totalling \$343,820 (2007 – five claims with a specified amount of \$23,285). The Authority is jointly named with other entities in these five claims. Three claims amounting to \$18,820 (2007 – four claims amounting to \$16,785) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 9 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$767 for the year ended March 31, 2008 (2007 – \$675).

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008 Budget	2008 Actual	2007 Actual
Salaries, Wages and Employee Benefits ^(a)	\$ 12,010	\$ 12,894	\$ 11,764
Supplies and Services	29,241	26,693	24,760
Grants	3,575	6,171	6,456
Amortization of Capital Assets	13	13	13
Inter-Authority Services	395	575	829
Other	-	80	86
Total Expenses	\$ 45,234	\$ 46,426	\$ 43,908

(a) This includes \$57 (2007 - \$56) in achievement bonuses for management and non-union staff.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾	Total	Total
Co-Chair of the Authority	\$ -	\$ 37	\$ -	\$ 37	\$ 27
Co-Chair of the Authority	-	37	-	37	29
Board Members (8 members)	-	69	-	69	89
Chief Executive Officer ⁽⁴⁾	131	9	8	148	179

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments.
 Co-chairs and board members receive honoraria only.
 The Department of Children's Services paid \$24 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by two different individuals during the year.

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 45,811	\$ 43,503	\$ -	\$ -
Miscellaneous Revenue:				
Department of Education	-	-	3	-
	\$ 46,386	\$ 44,332	\$ 3	\$ -
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 346	\$ 493	\$ -	\$ -
Department of Children's Services	580	497	-	-
Department of Advanced Education and Technology	-	-	2	-
Department of Education	-	-	11	-
Department of Health and Wellness	-	-	94	63
Department of Service Alberta	-	-	28	-
	\$ 926	\$ 990	\$ 135	\$ 63
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 1,036	\$ 841	\$ -	\$ -
Southeast Alberta Child and Family Services Authority	-	13	-	-
East Central Alberta Child and Family Services Authority	15	-	-	-
Edmonton and Area Child and Family Services Authority	(4)	(57)	-	-
Northwest Alberta Child and Family Services Authority	(53)	(63)	-	-
Northeast Alberta Child and Family Services Authority	31	26	-	-
Metis Settlements Child And Family Services Authority	(19)	-	-	-
Department of Education	-	-	3	-
	\$ 1,006	\$ 760	\$ 3	\$ -

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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4:

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 1,706	\$ 1,149
Administrative	556	571
Legal Services	59	90
	\$ 2,321	\$ 1,810

NORTH CENTRAL ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
 YEAR ENDED MARCH 31, 2008

Program	(IN THOUSANDS)									
	2008					2007				
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Valuation Adjustments ⁽⁵⁾	Expenses	Total	Expenses	Total	Expenses
Child Care	\$ 3,356	\$ 80	\$ 26	\$ -	\$ 4	\$ 3,466	\$ -	\$ 3,466	\$ -	\$ 3,296
Family Support for Children with Disabilities	4,006	98	32	-	5	4,141	-	4,141	-	4,427
Prevention of Family Violence and Bullying	-	-	-	-	-	-	-	-	-	-
Parenting Resources Initiative	790	-	-	-	-	790	-	790	-	763
Fetal Alcohol Spectrum Disorder Initiatives	488	-	-	-	-	488	-	488	-	442
Child Intervention Services	22,820	1,378	449	59	64	24,770	-	24,770	-	25,200
Foster Care Support	12,069	83	27	-	4	12,183	-	12,183	-	8,745
Protecting Children from Sexual Exploitation	62	-	-	-	-	62	-	62	-	20
Child and Youth Support	501	-	-	-	-	501	-	501	-	493
Community Initiatives	19	-	-	-	-	19	-	19	-	78
Program Support	1,462	56	18	-	3	1,539	-	1,539	-	1,231
Board Governance	185	11	4	-	-	200	-	200	-	181
Inter-Authority Services	575	-	-	-	-	575	-	575	-	829
Amortization	13	-	-	-	-	13	-	13	-	13
	\$ 46,346	\$ 1,706	\$ 556	\$ 59	\$ 80	\$ 48,747	\$ -	\$ 48,747	\$ -	\$ 45,718

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific programs.

FINANCIAL STATEMENTS

MARCH 31, 2008

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Auditor's Report

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

I have audited the statement of financial position of the Northwest Alberta Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 9, 2008

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 33,328	\$ 35,117	\$ 31,934
Other Revenue			
Inter-Authority Services	200	369	313
Other Revenue - Donations / External	30	572	429
	33,558	36,058	32,676
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	3,244	2,557	2,620
Family Support for Children with Disabilities	3,735	3,407	3,346
Prevention of Family Violence and Bullying	50	54	77
Parenting Resources Initiative	392	418	396
Fetal Alcohol Spectrum Disorder Initiatives	125	187	106
Keeping children, youth and families safe and protected:			
Child Intervention Services	16,679	18,080	16,302
Foster Care Support	4,899	5,093	4,942
Protecting Children from Sexual Exploitation	202	200	120
Child and Youth Support	293	246	279
Promoting healthy communities for children, youth and families:			
Community Initiatives	859	760	520
Support Services:			
Program Support	2,519	3,222	2,491
Board Governance	336	279	247
Amortization	25	24	25
Inter-Authority Services	200	369	313
Valuation Adjustments (Note 2)	-	148	84
TOTAL EXPENSES	33,558	35,044	31,868
Net Operating Results	\$ -	\$ 1,014	\$ 808

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	2008	2007
Assets		
Cash	\$ 3,515	\$ 2,789
Accounts Receivable (Note 4)	1,630	1,501
Prepaid Expenses	-	35
Tangible Capital Assets (Note 5)	54	73
	\$ 5,199	\$ 4,398
Liabilities		
Accounts Payable and Accrued Liabilities (Note 6)	\$ 2,439	\$ 2,652
Net Assets		
Net Assets at Beginning of Year	1,746	938
Net Operating Results	1,014	808
Net Assets at End of Year	2,760	1,746
	\$ 5,199	\$ 4,398

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 1,014	\$ 808
Non-Cash Items included in Net Operating Results:		
Amortization	24	25
Valuation Adjustments	148	84
	<u>1,186</u>	<u>917</u>
Increase in Accounts Receivable	(94)	(256)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>(361)</u>	<u>565</u>
Cash Provided by Operating Transactions	<u>731</u>	<u>1,226</u>
Capital Transactions		
Acquisition of Tangible Capital Assets	<u>(5)</u>	-
Cash applied to Capital Transactions	<u>(5)</u>	-
Increase in Cash	726	1,226
Cash, Beginning of Year	2,789	1,563
Cash, End of Year	<u>\$ 3,515</u>	<u>\$ 2,789</u>

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the Authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$33,558 on May 9, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$1,630 and \$2,439 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 33,328
Additional funding for the current year	<u>1,789</u>
Grant for the year	<u><u>\$ 35,117</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 980	\$ -	\$ 980	\$ 927
Other Receivables	305	-	305	423
Refunds from Suppliers	345	-	345	151
	<u>\$ 1,630</u>	<u>\$ -</u>	<u>\$ 1,630</u>	<u>\$ 1,501</u>

Accounts receivable are unsecured and non-interest bearing.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Tangible Capital Assets
 (in thousands)

	Equipment*	Computer Hardware and Software	2008 Total	2007 Total
Estimated Useful Life	10 Years	5 Years		
Historical Cost				
Beginning of Year	\$ -	\$ 122	\$ 122	\$ 122
Additions	5	-	5	-
	5	122	127	122
Accumulated Amortization				
Beginning of Year	-	49	49	24
Amortization Expense	-	24	24	25
	-	73	73	49
Net Book Value at March 31, 2008	5	49	54	
Net Book Value at March 31, 2007	\$ -	\$ 73		\$ 73

*Equipment includes office equipment, furniture and other equipment.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 6 Accounts payable and accrued liabilities
(in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 1,214	\$ 1,445
Accrued Vacation Pay and Manpower Expenses	1,183	1,042
Department of Children's Services	42	88
Child and Family Services Authorities	-	42
Other	-	35
	<u>\$ 2,439</u>	<u>\$ 2,652</u>

Note 7 Contractual obligations
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 176</u>	<u>\$ 389</u>

(a) The Authority leases certain equipment under operating leases that expire on various dates to 2011. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term</u> <u>Leases</u>
2009	\$ 113
2010	53
2011	10
	<u>\$ 176</u>

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 8 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007 – two legal claims). The two claims have specified amounts totalling \$325,000 (2007 – two claims with a specified amount of \$7,045). The Authority is jointly named with other entities in these two claims. Zero claims amounting to \$0 (2007 – one claim amounting to \$545) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 9 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$701 for the year ended March 31, 2008 (2007 – \$692).

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008 Budget	2008 Actual	2007 Actual
Salaries, Wages and Employee Benefits ^(a)	\$ 10,681	\$ 11,841	\$ 11,013
Supplies and Services	19,625	17,811	15,456
Grants	3,027	4,828	4,962
Amortization of Capital Assets	25	24	25
Inter-Authority Services	200	369	313
Other	-	171	99
Total Expenses	\$ 33,558	\$ 35,044	\$ 31,868

(a) This includes \$103 (2007 - \$75) in achievement bonuses for management and non-union staff.

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		
Co-Chair of the Authority	\$ -	\$ 45	\$ -	\$ 45	\$ 31
Co-Chair of the Authority	-	25	-	25	39
Board Members (11 members)	-	127	-	127	136
Chief Executive Officer	137	27	25	189	175

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

⁽¹⁾ Base salary includes regular pay.

⁽²⁾ Other cash benefits include bonuses, vacation payments and lump sum payments.

Co-chairs and board members receive honoraria only.

The Department of Children's Services paid \$32 of the total honoraria expenses disclosed in this schedule.

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

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 35,117	\$ 31,934	\$ -	\$ -
Recoveries - Inter-Authority Services	369	313	-	-
Prior-Year Revenue - First Nations Reserves	2	26	-	-
Miscellaneous Revenue:				
Department of Justice & Attorney General				
Maintenance Enforcement Program	-	-	10	17
	<u>\$ 35,488</u>	<u>\$ 32,273</u>	<u>\$ 10</u>	<u>\$ 17</u>
Expenses - Directly Incurred				
Department of Children's Services	\$ 580	\$ 497	\$ -	\$ -
Inter-Authority Services Received	18	60	-	-
Department of Education	-	-	763	811
Department of Service Alberta	-	-	27	15
	<u>\$ 598</u>	<u>\$ 557</u>	<u>\$ 790</u>	<u>\$ 826</u>
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 938	\$ 839	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	34	-	-	-
North Central Alberta Child and Family Services Authority	52	63	-	-
Northeast Alberta Child and Family Services Authority	25	23	-	-
Metis Settlements Child And Family Services Authority	-	(15)	-	-
	<u>\$ 1,049</u>	<u>\$ 910</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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4:

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 1,830	\$ 1,845
Administrative	570	532
Legal Services	19	10
	<u>\$ 2,419</u>	<u>\$ 2,387</u>

NORTHWEST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
 YEAR ENDED MARCH 31, 2008

Program	(IN THOUSANDS)											
	2008					2007						
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Valuation Adjustments ⁽⁵⁾	Expenses	Doubtful Accounts	Vacation Pay	Valuation Adjustments ⁽⁵⁾	Expenses	Total	
Child Care	\$ 2,557	\$ 53	\$ 16	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ 2,630	\$ -	\$ 2,696
Family Support for Children with Disabilities	3,407	85	27	-	7	-	-	-	-	3,526	-	3,490
Prevention of Family Violence and Bullying	54	12	3	-	1	-	-	-	-	70	-	93
Parenting Resources Initiative	418	-	-	-	-	-	-	-	-	418	-	396
Fetal Alcohol Spectrum Disorder Initiatives	187	-	-	-	-	-	-	-	-	187	-	106
Child Intervention Services	18,080	1,288	401	19	94	-	-	-	-	19,882	-	17,659
Foster Care Support	5,093	-	-	-	10	-	-	-	-	5,103	-	5,365
Protecting Children from Sexual Exploitation	200	-	-	-	-	-	-	-	-	200	-	120
Child and Youth Support	246	9	3	-	1	-	-	-	-	259	-	292
Community Initiatives	760	75	24	-	6	-	-	-	-	865	-	620
Program Support	3,222	308	96	-	25	-	-	-	-	3,651	-	2,833
Board Governance	279	-	-	-	-	-	-	-	-	279	-	247
Inter-Authority Services	369	-	-	-	-	-	-	-	-	369	-	313
Amortization	24	-	-	-	-	-	-	-	-	24	-	25
	\$ 34,896	\$ 1,830	\$ 570	\$ 19	\$ 148	\$ -	\$ -	\$ -	\$ -	\$ 37,463	\$ -	\$ 34,255

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific programs.

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Auditor's Report

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

I have audited the statement of financial position of the Northeast Alberta Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 14, 2008

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 11,225	\$ 12,358	\$ 10,780
Other Revenue			
Inter-Authority Services	-	11	-
Other Revenue	429	356	351
	<u>11,654</u>	<u>12,725</u>	<u>11,131</u>
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	759	483	392
Family Support for Children with Disabilities	1,409	1,578	1,423
Parenting Resources Initiative	76	238	195
Fetal Alcohol Spectrum Disorder Initiatives	10	10	10
Keeping children, youth and families safe and protected:			
Child Intervention Services	5,872	6,350	5,784
Foster Care Support	1,880	2,123	1,768
Protecting Children from Sexual Exploitation	60	47	46
Child and Youth Support	105	100	100
Promoting healthy communities for children, youth and families:			
Community Initiatives	715	686	612
Support Services:			
Program Support	731	940	706
Board Governance	37	44	40
Valuation Adjustments (Note 2)	-	14	40
TOTAL EXPENSES	<u>11,654</u>	<u>12,613</u>	<u>11,116</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 15</u>

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 1,561	\$ 1,401
Accounts Receivable (Note 4)	521	398
	<u>\$ 2,082</u>	<u>\$ 1,799</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 811</u>	<u>\$ 640</u>
Net Assets		
Net Assets at Beginning of Year	1,159	1,144
Net Operating Results	112	15
Net Assets at End of Year	<u>1,271</u>	<u>1,159</u>
	<u>\$ 2,082</u>	<u>\$ 1,799</u>

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ 112	\$ 15
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	<u>14</u>	<u>40</u>
	126	55
Increase in Accounts Receivable	(123)	(86)
Increase (decrease) in Accounts Payable and Accrued Liabilities	<u>157</u>	<u>(194)</u>
Cash Provided by (applied to) Operating Transactions	<u>160</u>	<u>(225)</u>
Increase (decrease) in Cash	160	(225)
Cash, Beginning of Year	1,401	1,626
Cash, End of Year	<u><u>\$ 1,561</u></u>	<u><u>\$ 1,401</u></u>

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

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

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following 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 are the main source of accounting policies. The PSAB financial presentation standard for government summary financial statements has been modified to more appropriately reflect the nature of the Authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007. The Authority approved the budget of \$11,654 on May 8, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$521 and \$811 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 11,225
Additional funding for the current year	<u>1,133</u>
Grant for the year	<u><u>\$ 12,358</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 273	\$ -	\$ 273	\$ 254
Child and Family Services Authorities	11	-	11	
Other	237	-	237	144
	<u>\$ 521</u>	<u>\$ -</u>	<u>\$ 521</u>	<u>\$ 398</u>

Accounts receivable are unsecured and non-interest bearing.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Accounts payable and accrued liabilities
(in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 526	\$ 367
Accrued Vacation Pay and Manpower Expenses	238	224
Department of Children's Services	18	49
Child and Family Services Authorities	29	-
	<u>\$ 811</u>	<u>\$ 640</u>

Note 6 Contractual obligations
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 41</u>	<u>\$ 72</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term</u> <u>Leases</u>
2009	\$ 22
2010	15
2011	4
2012	-
	<u>\$ 41</u>

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 7 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in two legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007 – one legal claim). The two claims have specified amounts totalling \$325,000 (2007 – one claim with a specified amount of \$6,500). The Authority is jointly named with other entities in these two claims. The resulting loss, if any, from these claims cannot be determined.

Note 8 Third Party Agreements
(in thousands)

The Authority has entered into a third party agreement with the Student Health Partnership to deliver various program services. The revenues of \$356 (2007 - \$402) and expenses of \$356 (2007 - \$402) are included in the financial statements.

Student Health Partnership	2008	2007
Revenue	\$ 356	\$ 402
Expense	(356)	(402)
	\$ -	\$ -

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 9 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$191 for the year ended March 31, 2008 (2007 – \$167).

Note 10 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 11 Approval of Financial Statements

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	<u>2008 Budget</u>	<u>2008 Actual</u>	<u>2007 Actual</u>
Salaries, Wages and Employee Benefits ^(a)	\$ 3,472	\$ 4,320	\$ 3,559
Supplies and Services ^(b)	7,495	6,611	6,088
Grants	687	1,668	1,429
Other	-	14	40
Total Expenses	\$ 11,654	\$ 12,613	\$ 11,116

(a) This includes \$48 (2007 - \$45) in achievement bonuses for management and non-union staff.

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

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ -	\$ 13	\$ -	\$ 13	\$ 7
Co-Chair of the Authority	-	20	-	20	12
Board Members (4 members)	-	23	-	23	23
Chief Executive Officer ⁽⁴⁾	165	36	6	207	190

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments. Co-chairs and board members receive honoraria only. The Department of Children's Services paid \$23 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) Automobile provided, no dollar amount included in other non-cash benefits.

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS- SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 12,358	\$ 10,780	\$ -	\$ -
Recoveries - Inter-Authority Services	11	-	-	-
	\$ 12,369	\$ 10,780	\$ -	\$ -
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 239	\$ 450	\$ -	\$ -
Department of Children's Services	311	166	-	-
Department of Education	-	-	299	402
Department of Health and Wellness	-	-	175	131
	\$ 550	\$ 616	\$ 474	\$ 533
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 255	\$ 246	\$ -	\$ -
Edmonton and Area Child and Family Services Authority	11	-	-	-
North Central Alberta Child and Family Services Authority	(31)	(26)	-	-
Northwest Alberta Child and Family Services Authority	(25)	(23)	-	-
	\$ 210	\$ 197	\$ -	\$ -

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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4:

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 750	\$ 501
Administrative	132	143
Legal Services	-	-
	\$ 882	\$ 644

NORTHEAST ALBERTA CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4

YEAR ENDED MARCH 31, 2008

Program	(IN THOUSANDS)									
	2008					2007				
	Expenses - Incurred by Others					Valuation Adjustments ⁽⁵⁾				
	Expenses ⁽¹⁾	Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay	Doubtful Accounts	Total Expenses	Total Expenses	Total Expenses	Total Expenses
Child Care	\$ 483	\$ 45	\$ 8	\$ -	\$ 1	\$ -	\$ 537	\$ 1,655	\$ 418	\$ 1,474
Family Support for Children with Disabilities	1,578	65	11	-	1	-	-	-	23	195
Prevention of Family Violence and Bullying	-	-	-	-	-	-	-	-	-	-
Parenting Resources Initiative	238	-	-	-	-	-	-	238	-	10
Fetal Alcohol Spectrum Disorder Initiatives	10	-	-	-	-	-	-	-	-	6,139
Child Intervention Services	6,350	467	82	-	9	-	-	6,908	-	1,768
Foster Care Support	2,123	-	-	-	-	-	-	2,123	-	46
Protecting Children from Sexual Exploitation	47	-	-	-	-	-	-	47	-	100
Child and Youth Support	100	-	-	-	-	-	-	-	-	612
Community Initiatives	686	72	13	-	1	-	-	772	-	934
Program Support	940	101	18	-	2	-	-	1,061	-	40
Board Governance	44	-	-	-	-	-	-	44	-	
	\$ 12,599	\$ 750	\$ 132	\$ -	\$ 14	\$ -	\$ 13,495	\$ 11,759		

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts Provision is allocated to specific programs.

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Auditor's Report

To the Members of the Métis Settlements Child and Family Services Authority and the Minister of Children and Youth Services

I have audited the statement of financial position of the Métis Settlements Child and Family Services Authority (Authority) as at March 31, 2008 and the statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Original signed by Fred J. Dunn, FCA

FCA
Auditor General

Edmonton, Alberta
May 14, 2008

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

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF OPERATIONS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	2008		2007
	Budget	Actual	Actual
REVENUE			
Internal Government Transfers			
Transfer from Department (Note 3)	\$ 5,283	\$ 5,870	\$ 5,180
Other Revenue			
Inter-Authority Services - Recoveries	1,780	2,535	1,561
Miscellaneous Revenue	-	20	85
	<u>7,063</u>	<u>8,425</u>	<u>6,826</u>
EXPENSE (SCHEDULES 1 AND 4)			
Promoting the development and well being of children, youth and families:			
Child Care	5	17	-
Family Support for Children with Disabilities	340	297	297
Prevention of Family Violence and Bullying	-	8	-
Parenting Resources Initiative	53	50	76
Fetal Alcohol Spectrum Disorder Initiatives	26	25	26
Keeping children, youth and families safe and protected:			
Child Intervention Services	2,745	3,440	3,005
Foster Care Support	948	678	660
Protecting Children from Sexual Exploitation	51	32	59
Child and Youth Support	335	330	296
Promoting healthy communities for children, youth and families:			
Community Initiatives	176	254	177
Support Services:			
Program Support	454	583	468
Board Governance	150	147	111
Inter-Authority Services	1,780	2,535	1,561
Valuation Adjustments (Note 2)	-	74	(9)
TOTAL EXPENSES	<u>7,063</u>	<u>8,470</u>	<u>6,727</u>
Net Operating Results	<u>-</u>	<u>(45)</u>	<u>\$ 99</u>

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 558	\$ 256
Accounts Receivable (Note 4)	656	729
Prepaid Expenses	-	152
Advances	1	2
	<u>\$ 1,215</u>	<u>\$ 1,139</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 5)	<u>\$ 537</u>	<u>\$ 416</u>
Net Assets		
Net Assets at Beginning of Year	723	624
Net Operating Results	(45)	99
Net Assets at End of Year	<u>678</u>	<u>723</u>
	<u>\$ 1,215</u>	<u>\$ 1,139</u>

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

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
STATEMENT OF CASH FLOWS
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)	
	<u>2008</u>	<u>2007</u>
Operating Transactions		
Net Operating Results	\$ (45)	\$ 99
Non-Cash Items included in Net Operating Results:		
Valuation Adjustments	74	-
	<u>29</u>	<u>99</u>
Decrease (Increase) in Accounts Receivable	73	(353)
Decrease (Increase) in Advances	1	(1)
Decrease (Increase) Prepayments	152	(152)
Increase in Accounts Payable and Accrued Liabilities (Note 5)	47	74
Cash Provided by (applied to) Operating Transactions	<u>302</u>	<u>(333)</u>
Increase in Cash	302	(333)
Cash, Beginning of Year	256	589
Cash, End of Year	<u>\$ 558</u>	<u>\$ 256</u>

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

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 1 Authority, Purpose and Operations

The Métis Settlements Child and Family Services Authority (the Authority) operates under the authority of the *Child and Family Services Authorities Act* and directions provided by the Minister of Children's Services.

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

Pursuant to the "Management Services Agreement" between the Authority and the Minister, the Department of Children'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.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with the following policies that have been established by the Government for Child and Family Services Authorities. The recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants are the main source of accounting policies. The PSAB financial presentation standard for Government summary financial statements has been modified to more appropriately reflect the nature of the Authority.

Reporting Entity

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

Basis of Financial Reporting

Revenues

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

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

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers

Internal government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive goods or services in return.

Expenses

Directly Incurred

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

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

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

Incurred by Others

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

Assets

Financial assets of the Authority are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Tangible capital assets of the Authority are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Liabilities

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

Valuation of Financial Assets and Liabilities

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

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

Net Assets/Net Liabilities

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

Budget (in thousands)

The Authority receives its financing by way of a grant from the Department of Children'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 2007-08 Government and Lottery Fund Estimates tabled in the Legislative Assembly on April 19, 2007.

***Measurement Uncertainty
(in thousands)***

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

The accrued accounts receivable and accounts payable and accrued liabilities recorded as \$656 and \$537 respectively in these financial statements are subject to measurement uncertainty. The accrued receivables and liabilities are based on estimates, calculated using linear analysis of current expense trends as well as management input. The actual amount could vary significantly from that estimated.

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 2 Significant Accounting Policies and Reporting Practices (Continued)

Voluntary Contribution

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

**Note 3 Grants from the Department of Children's Services
(in thousands)**

The grant is determined as follows:

Initial (original) budget	\$ 5,283
Additional funding for the current year	<u>587</u>
Grant for the year	<u><u>\$ 5,870</u></u>

**Note 4 Accounts Receivable
(in thousands)**

	2008			2007
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Department of Children's Services	\$ 258	\$ -	\$ 258	\$ 729
Edmonton Area CFSA	379	-	379	\$ -
North Central CFSA	19	-	19	\$ -
	<u>\$ 656</u>	<u>\$ -</u>	<u>\$ 656</u>	<u>\$ 729</u>

Accounts receivable are unsecured and non-interest bearing.

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED MARCH 31, 2008

Note 5 Accounts payable and accrued liabilities
(in thousands)

	<u>2008</u>	<u>2007</u>
Trade Payable	\$ 246	\$ 222
Accrued Vacation Pay and Manpower Expenses	288	189
Payable to Department of Children Services	3	2
Child and Family Services Authorities	-	3
Other	-	-
	<u>\$ 537</u>	<u>\$ 416</u>

Note 6 Contractual obligations
(in thousands)

The Authority contracts with organizations to provide specific programs and services for children under the care of the Authority. The Authority has contracts for specific programs and services in the year ending March 31, 2009 similar to those provided by these organizations during the year ended March 31, 2008.

As at March 31, 2008, the Authority has the following other contractual obligations:

	<u>2008</u>	<u>2007</u>
Long-term Leases ^(a)	<u>\$ 7</u>	<u>\$ 42</u>

^(a) The Authority leases certain equipment under operating leases that expire on various dates to 2012. The aggregate amounts payable for the unexpired terms of these leases are as follows:

	<u>Long-term Leases</u>
2009	\$ 7
2010	-
2011	-
2012	-
	<u>\$ 7</u>

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2008

Note 7 Contingent liabilities
(in thousands)

At March 31, 2008, the Authority is a defendant in three legal claims either directly as a named defendant or peripherally as the Authority with management responsibility when the incident giving rise to the claim occurred (2007–three legal claims). The three claims have specified amounts totalling \$325,100 (2007 – three claims totally \$21,150). The Authority is jointly named with other entries in these two claims. One claim amounting to \$100 (2007 - two claims amounting to \$14,650) is covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 8 Defined Benefit Plans
(in thousands)

The Authority participates in the multi-employer Management Employees Pension and Public Services Pension Plan. The Authority also participates in the multi-employee Supplementary Retirement Plan for Public Managers. The expense for these pension plans is equivalent to the annual contribution of \$184 for the year ended March 31, 2008 (2007 – \$139).

Note 9 Comparative Figures

Certain 2007 figures have been reclassified to conform to the 2008 presentation.

Note 10 Approval of Financial Statements

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

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
EXPENSES – DIRECTLY INCURRED DETAILED BY OBJECT - SCHEDULE 1
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)		
	<u>2008</u> <u>Budget</u>	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
Salaries, Wages and Employee Benefits ^(a)	\$ 2,082	\$ 2,163	\$ 1,845
Supplies and Services	2,941	3,441	2,954
Grants	260	257	376
Inter-Authority Services	1,780	2,535	1,561
Other	-	74	(9)
Total Expenses	<u>\$ 7,063</u>	<u>\$ 8,470</u>	<u>\$ 6,727</u>

(a) This includes \$66 (2007 - \$42) in achievement bonuses for management and non-union staff.

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
SALARY AND BENEFITS DISCLOSURE - SCHEDULE 2
 YEAR ENDED MARCH 31, 2008

	(IN THOUSANDS)				2007
	2008			Total	
	Base Salary ⁽¹⁾	Other Cash Benefits ⁽²⁾	Other Non-Cash Benefits ⁽³⁾		Total
Co-Chair of the Authority	\$ -	\$ 28	\$ -	\$ 28	\$ 22
Co-Chair of the Authority ⁽⁴⁾	-	32	-	32	21
Board Members (6 members)	-	49	-	49	45
Chief Executive Officer	136	22	38	195	175

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

- (1) Base salary includes regular pay.
- (2) Other cash benefits include bonuses, vacation payments and lump sum payments.
 Co-chairs and board members receive honoraria only.
 The Department of Children's Services paid \$18 of the total honoraria expenses disclosed in this schedule.
- (3) Other non-cash benefits include the Government's share of all employee benefits and contributions or payments made on behalf of employees, including position, health care, dental coverage, group life insurance, short term disability plans, professional memberships and tuition fees.
- (4) The position was occupied by two different individuals during the year.

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
RELATED PARTY TRANSACTIONS - SCHEDULE 3
YEAR ENDED MARCH 31, 2008

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

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

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

	(IN THOUSANDS)			
	Entities in the Ministry		Other Entities	
	2008	2007	2008	2007
Revenues:				
Grant from the Department of Children's Services	\$ 5,870	\$ 5,180	\$ -	\$ -
Recoveries - Inter-Authority Services	2,529	1,561	-	-
Prior-Year Revenue - First Nations Reserves	20	85	-	-
	<u>\$ 8,419</u>	<u>\$ 6,826</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses - Directly Incurred				
Inter-Authority Services Received	\$ 5	\$ 25	\$ -	\$ -
Department of Children's Services	-	83	-	-
Department of Advanced Education and Technology	-	-	4	-
Department of Education	-	-	77	48
Department of Health and Wellness	-	-	14	13
Department of Service Alberta	-	-	-	-
	<u>\$ 5</u>	<u>\$ 108</u>	<u>\$ 95</u>	<u>\$ 61</u>
Receivable from/(Payable to):				
Department of Children's Services (Net)	\$ 253	\$ 467	\$ -	\$ -
Central Alberta Child and Family Services Authority	-	1	-	-
East Central Alberta Child and Family Services Authority	-	(3)	-	-
Edmonton and Area Child and Family Services Authority	379	241	-	-
North Central Alberta Child and Family Services Authority	19	-	-	-
Northwest Alberta Child and Family Services Authority	-	15	-	-
	<u>\$ 651</u>	<u>\$ 721</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 providing the service.

The following amounts are not recorded in the financial statements but are disclosed on Schedule 4.

	(IN THOUSANDS)	
	Other Entities	
	2008	2007
Expenses (Notional):		
Accommodation	\$ 409	\$ 585
Administrative	115	79
Legal Services	3	-
	<u>\$ 527</u>	<u>\$ 664</u>

MÉTIS SETTLEMENTS CHILD AND FAMILY SERVICES AUTHORITY
ALLOCATED COSTS - SCHEDULE 4
 YEAR ENDED MARCH 31, 2008

(IN THOUSANDS)

Program	2008						2007	
	Expenses ⁽¹⁾	Expenses - Incurred by Others		Valuation Adjustments ⁽⁵⁾		Total Expenses	Total Expenses	
		Accommodation Costs ⁽²⁾	Administration Costs ⁽³⁾	Legal Services ⁽⁴⁾	Vacation Pay			Doubtful Accounts
Child Care	17	6	1	\$ -	1	\$ -	24	
Family Support for Children with Disabilities	297	29	8	-	5	-	339	
Prevention of Family Violence and Bullying	8	17	5	-	3	-	32	
Parenting Resources Initiative	50	-	-	-	-	-	50	
Fetal Alcohol Spectrum Disorder Initiatives	25	-	-	-	-	-	25	
Child Intervention Services	3,440	281	80	3	47	-	3,852	
Foster Care Support	678	10	2	-	1	-	691	
Protecting Children from Sexual Exploitation	32	-	-	-	-	-	32	
Child and Youth Support	330	11	3	-	2	-	347	
Community Initiatives	254	11	3	-	2	-	271	
Program Support	583	44	12	-	8	-	648	
Board Governance	147	-	-	-	-	-	147	
Inter-Authority Services	2,535	-	-	-	-	-	2,535	
Valuation adjustment	74	-	-	-	-	-	74	
	8,470	409	115	3	69	-	9,066	
							\$ 7,391	

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

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

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

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

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

- Vacation pay is allocated by the number of employees per program.
- Doubtful Accounts provision is allocated to specific programs.

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The logo for the Government of Alberta, featuring the word "Alberta" in a stylized, white, sans-serif font. The letter "A" is unique, with a vertical bar on its left side that extends above and below the main body of the letter.