

Financial Information

Ministry of Health and Wellness

Consolidated Financial Statements

March 31, 2001

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001

Auditor's Report

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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 Health and Wellness as at March 31, 2001 and the consolidated statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Ministry. My responsibility is to express an opinion on these financial statements based on my audit.

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

The Ministry of Health and Wellness is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across ministries. The following items are exceptions from Canadian generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury:

Reporting entity

The consolidated financial statements for the Ministry of Health and Wellness (the "reporting entity") do not include the results of operations and net assets of regional health authorities and Provincial health boards as referred to in Note 2(a). Exclusion of the regional health authorities and the Provincial health boards from the reporting entity is an exception from Canadian generally accepted accounting principles. These principles provide for the inclusion of the results of operations and net assets of organizations that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature, and are owned or controlled by the government. In my opinion, the above noted organizations meet the criteria for inclusion in the reporting entity and, accordingly, the results of operations and net assets of these organizations should be included in the accompanying financial statements.

The following describes, at a summary level, the effect of not including regional health authorities and Provincial health boards in the accompanying financial statements and is intended to illustrate the overall magnitude of the effect on the financial statements. If these entities had been included in the financial statements, the total assets would increase by approximately \$3,578 million and total liabilities would increase by approximately \$2,825 million as at March 31, 2001, resulting in an increase of approximately \$753 million in net assets. Similarly, there would be an increase in revenue of approximately \$637 million and an increase in expenses of approximately \$526 million for the year ended March 31, 2001, resulting in a decrease in the excess of expenses over revenues of approximately \$111 million. Had consolidated financial statements been prepared, virtually every account in, and the information provided by way of note to, the accompanying financial statements would have been materially different.

Related Party Transactions

As the corporate government accounting policies followed stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities and Provincial health boards are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities and Provincial health boards are related parties of the Ministry of Health and Wellness. Since their net assets, revenues and expenses have not been included in these financial statements, a description of the nature and extent of the Ministry's transactions with them should have been included in Schedule 5, Related Party Transactions.

Capital Assets

The Ministry employs a policy of expensing capital asset purchases under \$15,000 in the year of acquisition. Consequently, a significant amount of resources available to the Ministry for future use has been recorded as if it had been consumed. It is estimated that at March 31, 2001, assets are understated and net liabilities are overstated by approximately \$35 million representing the unconsumed cost of capital assets at that date.

If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included as expenses of the current year. As the value of capital asset purchases that were expensed in the current year is greater than the amount that would have been recorded as amortization expense, expenses are overstated for the year ended March 31, 2001 by approximately \$6 million.

In my opinion, because of the effects of the matters discussed under the Reporting Entity heading in the preceding section, these consolidated financial statements do not present fairly the financial position of the Ministry as at March 31, 2001 and the results of its operations and the changes in

its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Consolidated expenses include payments made by Persons with Developmental Disabilities Boards for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, expenses, estimated at \$4.5 million, related to the care of these individuals do not comply with the Act.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2001
(thousand of dollars)

	2001		2000
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	\$ 127,528	\$ 127,528	\$ 109,643
Transfer from the Government of Canada	661,039	890,992	687,659
Premiums and Fees	682,369	702,781	676,101
Other Revenue	55,452	61,311	52,886
	<u>1,526,388</u>	<u>1,782,612</u>	<u>1,526,289</u>
Expenses - Directly Incurred (Note 2c and Schedules 3 and 6)			
Program			
Regional Health Authorities and Health Boards	3,041,137	3,292,585	2,840,658
Physician Services	1,042,569	1,070,907	994,810
Services to Persons with Developmental Disabilities	320,881	333,726	293,508
Province-Wide Services	303,963	320,466	257,188
Blue Cross Benefit Program	281,219	309,769	261,097
Protection, Promotion, and Prevention	168,643	158,663	143,802
Other Programs	183,454	134,260	106,193
Ministry Support Services	88,249	90,516	71,736
Human Tissue and Blood Services	90,016	90,016	81,312
Allied Health Services	57,935	60,522	54,863
Extended Health Benefits	21,055	21,360	20,114
Systems Development	23,329	18,179	23,408
One-Time Financial Assistance to Health Authorities	-	8,892	215,676
Premier's Council on the Status of Persons with Disabilities	680	632	624
Premier's Advisory Council on Health	250	144	-
Sterilization Claims Settlements	-	-	63,472
Year 2000 Compliance	-	-	17,002
Healthy Aging Partnership	-	-	10,000
	<u>5,623,380</u>	<u>5,910,637</u>	<u>5,455,463</u>
Valuation Adjustments			
Health Care Insurance Premiums Revenue Write-Offs	28,648	44,066	29,694
Provision for Vacation Pay	602	890	(1,148)
	<u>29,250</u>	<u>44,956</u>	<u>28,546</u>
Loss on Disposal and Write Down of Capital Assets	-	-	1,111
Total Expenses	<u>5,652,630</u>	<u>5,955,593</u>	<u>5,485,120</u>
Net Operating Results	<u>\$ (4,126,242)</u>	<u>\$ (4,172,981)</u>	<u>\$ (3,958,831)</u>

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

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2001
(thousand of dollars)

	2001	2000
ASSETS		
Cash (Note 3)	\$ 23,171	\$ (6,918)
Investments (Note 4)	2,804	2,565
Accounts Receivable, Travel Advances and Inventory (Note 5)	180,074	187,698
Capital Assets (Note 6)	8,335	6,088
	\$ 214,384	\$ 189,433
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 7)	\$ 300,448	\$ 282,193
Deferred Contributions	-	214
Unearned Revenue (Note 8)	267,940	166,002
	568,388	448,409
NET LIABILITIES		
Net Liabilities at Beginning of Year	(258,976)	(148,985)
Net Operating Results	(4,172,981)	(3,958,831)
Net Transfer from General Revenues	4,077,953	3,848,840
Net Liabilities at End of Year	(354,004)	(258,976)
	\$ 214,384	\$ 189,433

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

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	2001	2000
Operating Transactions		
Net Operating Results	\$ (4,172,981)	\$ (3,958,831)
Non-cash items:		
Amortization	1,902	702
Loss on Disposal and Write Down of Capital Assets	-	1,111
Health Care Insurance Premiums Revenue Write-Offs	44,066	29,694
Provision for Vacation Pay	890	(1,148)
	(4,126,123)	(3,928,472)
(Increase) in Accounts Receivable, Travel Advances and Inventory	(36,442)	(100,360)
Increase in Accounts Payable and Accrued Liabilities	17,365	22,520
(Decrease) in Deferred Contributions	(214)	(96)
Increase in Unearned Revenue	101,938	144,930
Cash (Used) by Operating Transactions	(4,043,476)	(3,861,478)
Investing Transactions		
Purchases of Capital Assets	(3,608)	(3,960)
Net Transfer of Capital Assets	(541)	-
Purchase of Investments	(239)	(2,565)
Cash (Used) by Investing Transactions	(4,388)	(6,525)
Financing Transactions		
Net Transfer from General Revenues	4,077,953	3,848,840
Net Cash Provided (Used)	30,089	(19,163)
Cash, Beginning of Year	(6,918)	12,245
Cash, End of Year	\$ 23,171	\$ (6,918)

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

MINISTRY OF HEALTH AND WELLNESS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001

Note 1 Authority and Purpose

The Minister of Health and Wellness (Minister) has, by the *Government Organization Act* and its regulations, been designated responsibilities for various Acts. To fulfil these responsibilities, the Minister is responsible for the organizations listed in Note 2(a). The authority under which each organization operates is also listed in Note 2(a). Together these organizations form the Ministry of Health and Wellness (Ministry).

The purpose of the Ministry is to maintain and improve the health of Albertans by leading and working collaboratively with citizens and stakeholders. The Ministry leads and supports a system for the delivery of quality health services and encourages and supports healthy living.

Through a leadership role, the Ministry sets direction, policy and provincial standards that ensure quality services and set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system. The Ministry is also engaged in inter-ministerial initiatives to effectively address challenges to the health and well-being of the population.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These consolidated financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Ministry of Health and Wellness. The *Government Accountability Act* defines a Ministry as including the Department and any Provincial agency and Crown-controlled organization for which the Minister is responsible.

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

(a) Reporting Entity (continued)

These consolidated financial statements include the accounts of the following organizations:

<u>Organization</u>	<u>Authority</u>
Department of Health and Wellness	<i>Government Organization Act</i>
Alberta Alcohol and Drug Abuse Commission	<i>Alcohol and Drug Abuse Act</i>
Persons with Developmental Disabilities Foundation	<i>Persons with Developmental Disabilities Foundation Act</i>
Persons with Developmental Disabilities Provincial Board and Community and Facility Boards	<i>Persons with Developmental Disabilities Community Governance Act</i>

The accounts of Regional Health Authorities, the Alberta Cancer Board, and the Alberta Mental Health Board are not included in these consolidated financial statements as these accountable organizations are not considered to be part of the Ministry pursuant to Section 1(1)(g) of the *Government Accountability Act*.

(b) Basis of Consolidation

Revenue and expense transactions, investing and finance transactions, and related asset and liability accounts between the consolidated organizations were eliminated upon consolidation.

(c) Basis of Financial Reporting

(i) Revenues

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

(ii) 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.

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

(c) Basis of Financial Reporting (continued)

(iii) Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote.

If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

(iv) 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.

Directly incurred expenses include:

- amortization of 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.

Incurred by Others

Expenses incurred by other entities in support of the Ministry's operations are disclosed in Schedule 6. Expenses incurred by others are not included in the Ministry's statement of operations.

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

(c) Basis of Financial Reporting (continued)

(v) Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as cash and inventories held for sale.

Assets acquired by right are not included. Capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other capital assets is \$15,000. All land is capitalized.

(vi) Liabilities

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

(vii) Net Liabilities

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

(viii) 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 investments, accounts receivable, inventory, travel advances, accounts payable and accrued liabilities, deferred contributions, and unearned revenue are estimated to approximate their book values.

(ix) Payments under Reciprocal and Other Agreements

The Ministry entered into agreements with other Provincial Governments, the Federal Government and the Workers' Compensation Board to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these consolidated financial statements.

Amounts paid and recovered under these agreements are disclosed in Note 11.

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

(c) Basis of Financial Reporting (continued)

(x) Measurement Uncertainty (amounts in thousands)

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

The allowance for doubtful accounts, in the amount of \$133,827 as reported in these consolidated financial statements, is based on an ageing analysis of the accounts receivable balance at March 31, 2001 and past collection patterns. The actual amount collected could vary from that estimated.

Note 3 Cash

(amounts in thousands)

The cash balance consists of the following:

	<u>2001</u>	<u>2000</u>
Department of Health and Wellness		
Collectors Bank Account	\$ 3,411	\$ 2,819
Alberta Alcohol and Drug Abuse Commission		
Consolidated Cash Investment Trust Fund	3,309	3,397
(a) Persons with Developmental Disabilities Boards		
Bank Account	16,419	(13,393)
Persons with Developmental Disabilities Foundation		
Bank Account	25	242
Accountable Advances	<u>7</u>	<u>17</u>
	<u>\$ 23,171</u>	<u>\$ (6,918)</u>

(a) In March 2000, funds were withdrawn from the Boards' bank accounts to cover payments made on their behalf. The bank accounts were not replenished until April 2000, thus creating the bank overdraft. The Boards did not enter into any lending arrangements or pay interest on this overdraft.

Note 4 Investments
(amounts in thousands)

	2001		2000	
	Cost	Market	Cost	Market
Cash Appropriated for Long Term Use	\$ 204	\$ 204	\$ -	\$ -
Mutual Funds				
Bond Fund	2,600	2,601	2,564	2,533
Money Market Fund	-	-	1	1
	<u>\$ 2,804</u>	<u>\$ 2,805</u>	<u>\$ 2,565</u>	<u>\$ 2,534</u>

Note 5 Accounts Receivable
(amounts in thousands)

	2001			2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizeable Value	Net Realizeable Value
Accounts Receivable	\$ 311,231	\$ 133,827	\$ 177,404	\$ 180,576
Refunds from Suppliers	2,472	-	2,472	6,954
Travel Advances	15	-	15	17
Inventory	183	-	183	151
	<u>\$ 313,901</u>	<u>\$ 133,827</u>	<u>\$ 180,074</u>	<u>\$ 187,698</u>

Accounts receivables are unsecured.

Note 6 Capital Assets
(amounts in thousands)

	Estimated Useful Life	2001		2000	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment and software	3 - 10 years	\$ 16,480	\$ 8,666	\$ 7,814	\$ 5,527
Equipment	10 years	2,509	1,988	521	561
		<u>\$ 18,989</u>	<u>\$ 10,654</u>	<u>\$ 8,335</u>	<u>\$ 6,088</u>

Note 7 Accounts Payable and Accrued Liabilities
(amounts in thousands)

	2001	2000
Accounts payable	\$ 43,118	\$ 47,942
Accrued liabilities	243,617	221,424
Accrued vacation pay	13,713	12,827
	<u>\$ 300,448</u>	<u>\$ 282,193</u>

Note 8 Unearned Revenue
(amounts in thousands)

	<u>2001</u>	<u>2000</u>
Changes in unearned revenues are as follows:		
Restricted Cash received during the year:		
Health Canada		
Canada Health and Social Transfer - Health Supplement	\$ 246,995	\$ 336,402
Medical Equipment Trust Fund	97,760	-
Health Care Insurance Premiums	22,095	21,672
Third party recoveries	34	52
Western Health Information Collaborative	358	-
Institution Fees	<u>22</u>	<u>20</u>
	367,264	358,146
Less amounts recognized as revenue in the year	<u>(265,326)</u>	<u>(213,216)</u>
Increase during the year	101,938	144,930
Balance at beginning of year	<u>166,002</u>	<u>21,072</u>
Balance at end of year	<u><u>\$ 267,940</u></u>	<u><u>\$ 166,002</u></u>
Balances at end of year are comprised of:		
Health Canada - Canada Health and Social Transfer	\$ 196,684	\$ 144,258
Health Canada - Medical Equipment Trust Fund	49,042	-
Health Care premiums	22,095	21,672
Third party recoveries	34	52
Western Health Informative Collaborative	63	-
Institution fees	<u>22</u>	<u>20</u>
	<u><u>\$ 267,940</u></u>	<u><u>\$ 166,002</u></u>

Note 9 Commitments
(amounts in thousands)

As at March 31, 2001, the Ministry has the following commitments:

	2001	2000
Specific program commitments ^(a)	\$ 2,675,612	\$ 1,065,520
Service contracts	92,622	54,486
Equipment leases ^(b)	4,398	7,388
	<u>\$ 2,772,632</u>	<u>\$ 1,127,394</u>

- (a) Included in 2001 specific program commitments is an amount of \$2,539,700 for the provision of medical services by physicians to March 31, 2003 under the agreement signed with the Alberta Medical Association. Prior year specific program commitments include \$934,100 for the provision of medical services to March 31, 2001
- (b) The Ministry leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

<u>Year</u>	<u>2001</u>	<u>2000</u>
2001	\$ -	\$ 4,530
2002	2,078	1,670
2003	1,426	594
2004	672	371
2005	111	112
2006	111	111
	<u>\$ 4,398</u>	<u>\$ 7,388</u>

Canadian Blood Services

The Province of Alberta, as represented by the Minister of Health and Wellness, has committed to provide funding to the Canadian Blood Services (CBS). This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

The Province's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products.

During the year, payments to CBS amounted to \$90,016 (2000 - \$81,312). Budgeted expenditure for the 2002 fiscal year is estimated at \$100,016.

Note 10 Contingencies

Sexual Sterilization Claims

The Ministry of Health and Wellness, has a contingent liability in respect of 27 claims (2000 - 62 claims) aggregating \$18.2 million (2000 - \$34 million) relating to the decisions made by the Eugenics Board of Alberta pursuant to the *Sexual Sterilization Act* of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined. A provision for potential losses of \$14 million (2000 - \$17.7 million) has been made.

Hepatitis C

The Ministry was named as defendant in 53 specific legal actions (2000 - 53 specific legal actions) relating to the Hepatitis C virus affected through the Canadian blood system. The total claimed in 40 specific legal actions, approximates \$585 million at March 31, 2001 (2000 - \$137 million). For the other 13 claims, no specified amount has yet been claimed; the amount of these claims will be determined at trial. All of these claims are covered by the Alberta Risk Management Fund. Potential liability for these claims is shared by the Canadian Red Cross Society and the federal government. The resulting loss, if any, from these claims cannot be determined.

Federal, provincial and territorial governments have agreed to offer financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The financial package of \$1.1 billion is national in scope. Alberta's share of the financial assistance package is estimated at \$30 million. The details of assistance will be determined through a negotiation process submitted to the courts for approval. The Ministry made a provision in 1999/2000 for its portion of the Hepatitis C assistance. At March 31, 2001, the unpaid balance of the Department's commitment to the financial assistance package was \$22,951,000 (2000 - \$30,000,000).

Voluntary Hospital Owners

The Ministry is liable under equity agreements entered into in 1969 between the Ministry and Voluntary Hospital Owners. The Ministry's liability is contingent upon termination of the equity agreements and concurrent transfer of ownership to the Province. The payout upon termination is estimated at \$25.8 million as at March 31, 2001 (2000 - \$22.6 million).

Other

At March 31, 2001, the Ministry was named as defendant in eight other legal actions (2000 - 30 legal actions). The total claimed in these other legal actions approximates \$46.4 million (2000 - \$33.2 million). Three claims (2000 - fourteen claims) amounting to \$3.8 million (2000 - \$18.7 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 11 Payments under Reciprocal and Other Agreements
(amounts in thousands)

The Ministry entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial Governments and the Workers' Compensation Board to provide health services on their behalf. The Ministry pays service providers for services rendered under the agreements and recovers the amount paid from other provinces and the Workers' Compensation Board. Service providers include Regional Health Authorities, Provincial Health Boards and physicians.

The Ministry has also entered into an agreement with the Federal Government for the Health Transition Fund (Primary Health Care Project) to support the objective of studying and encouraging the further advancement of primary health care in Alberta. In addition, the Ministry entered into agreements with Health Canada, the Workers' Compensation Board and other provincial governments and territories to provide air ambulance services on their behalf. Payments incurred under this agreement are made by the Ministry under authority of the *Financial Administration Act*, Section 29.1 (1).

Balances receivable from or payable to the Federal Government, other Provincial Governments and the Workers' Compensation Board are reflected in the Statement of Financial Position.

	2001					2000
	Health Transition Fund	Other Provincial Government	Workers' Compensation Board	Air Ambulance	Total	Total
Opening receivable balance	\$ 2,888	\$ 18,234	\$ 832	\$ 1,876	23,830	\$ 15,873
Add: Payments made during the year	1,310	107,275	628	2,747	111,960	107,227
	4,198	125,509	1,460	4,623	135,790	123,100
Less: Collections received during the year	4,271	110,121	1,489	2,184	118,065	99,270
Closing receivable (payable) balance	\$ (73)	\$ 15,388	\$ (29)	\$ 2,439	\$ 17,725	\$ 23,830

Note 12 Pensions

(amounts in thousands)

The Ministry participates in multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$6,004 for the year ended March 31, 2001 (2000 - \$5,353).

At December 31, 2000, the Management Employees Pension Plan reported a surplus of \$104,658 (1999 - \$46,019) and the Public Service Pension Plan reported a surplus of \$635,084 (1999 - \$517,020). At December 31, 2000, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$180 (1999 - \$33).

Note 13 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 14 Government Restructuring

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Persons with Developmental Disabilities Boards and Foundation, Michener Centre, and the Premier's Council on the Status of Persons with Disabilities were transferred to the Ministry of Community Development. Responsibility for the Healthy Aging Partnership program was transferred from the Ministry to the Ministry of Seniors.

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these consolidated financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan.

Note 15 Approval of Financial Statements

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

**MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2001
(Thousands of dollars)**

	2001		2000
	Budget (Schedule 4)	Actual	Actual
Internal Government Transfers:			
Transfer from the Lottery Fund	\$ 127,528	\$ 127,528	\$ 57,759
Transfer from Community Development	-	-	50,884
Transfer from Children Services	-	-	1,000
	<u>127,528</u>	<u>127,528</u>	<u>109,643</u>
Transfers from the Government of Canada:			
Canada Health and Social Transfer	450,748	643,293	493,074
Canada Health and Social Transfer - Health Supplement	194,068	194,569	192,144
Other	16,223	53,130	2,441
	<u>661,039</u>	<u>890,992</u>	<u>687,659</u>
Premiums and Fees:			
Health care insurance:			
Premiums before premium assistance	645,701	764,472	740,793
Less:			
Premium assistance under legislation	-	(100,028)	(101,974)
	645,701	664,444	638,819
Add:			
Penalties	13,548	15,360	14,043
Interest and miscellaneous	500	476	441
	<u>659,749</u>	<u>680,280</u>	<u>653,303</u>
Health care insurance premiums, penalties and interest			
	<u>659,749</u>	<u>680,280</u>	<u>653,303</u>
Non-Group Blue Cross Benefits:			
Premiums before premium assistance	20,000	22,232	22,403
Less premium assistance	-	(2,202)	(2,247)
	<u>20,000</u>	<u>20,030</u>	<u>20,156</u>
Non-Group Blue Cross premiums			
	<u>20,000</u>	<u>20,030</u>	<u>20,156</u>
Total premiums	679,749	700,310	673,459
Residency fees	900	779	1,185
Other	1,720	1,692	1,457
	<u>682,369</u>	<u>702,781</u>	<u>676,101</u>
Other revenue:			
Third party recoveries	52,595	53,298	47,371
Miscellaneous:			
Previous years' refunds of expenditure	1,600	5,023	2,772
Other	1,257	2,990	2,743
	<u>55,452</u>	<u>61,311</u>	<u>52,886</u>
Total revenue	<u>\$ 1,526,388</u>	<u>\$ 1,782,612</u>	<u>\$ 1,526,289</u>

MINISTRY OF HEALTH AND WELLNESS
SCHEDULE OF DEDICATED REVENUE INITIATIVES
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	2001		
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	(Shortfall)/ Excess
Health Care Insurance Premium Revenue ^(b)	\$ 664,749	\$ 680,280	\$ 15,531
Non-Group Drug Benefits ^(c)	20,000	20,030	30
Archival Blood Bank Record Review for Hepatitis C ^(d)	2,500	1,536	(964)
Western Health Information Collaborative ^(e)	358	295	(63)
Advisory Committee on Health Infostructure ^(f)	150	150	-
Health Services for Persons with Hepatitis C ^(g)	2,700	-	(2,700)
	<u>\$ 690,457</u>	<u>\$ 702,291</u>	<u>\$ 11,834</u>

^(a) Revenues from dedicated revenue initiatives are included in the revenues in the Ministry's statement of operations.

^(b) Albertans contributed to the cost of health programs through Health Care Insurance Premiums. The levels of premiums paid by an individual or family are based on their ability to pay as defined by income. Expenses associated with this initiative are included in the Statement of Operations under the Physician Services expense classification.

^(c) Albertans can access public or private supplemental health insurance coverage. The Department provides non-group Blue Cross coverage on a premium basis for non-seniors. Seniors are provided coverage, but do not pay premiums. Expenses under the Non-Group Drug Benefits initiative represent the expenses incurred to provide Blue Cross services. Expenses associated with this initiative are included in the Statement of Operations under the Blue Cross Benefit Program expense classification.

^(d) Health Canada is providing 50 per cent of the funding to contact all persons who received blood transfusions in Alberta for the period January 1, 1986 to July 1, 1990. Those persons will be advised to seek testing and treatment, as they may have been exposed to the Hepatitis C (HCV) virus. Expenses associated with this initiative are included in the Statement of Operations under the Human Tissue and Blood Services expense classification.

^(e) As a result of directives from the Deputy Ministers of Health for western Canada, the Health Ministry Chief Information Officers representing the western provinces and territories formed the Western Health Information Collaborative (WHIC). This collaborative is supported through funding received from other western provinces and territories. The collaborative will explore common opportunities that meet western provinces and territories' health information needs and support the strategic directions and initiatives for health infostructure at the national level. Expenses associated with this initiative are included in the Statement of Operations under the Systems Development expense classification.

^(f) Health Canada is providing funding to provide health services to individuals who acquired the Hepatitis C virus from blood and blood products prior to Jan. 1, 1986 and after July 1, 1990. The funding will be used to treat the HCV infection using antiviral drug therapies, immunization and nursing care. Expenses associated with this initiative are included in the Statement of Operations under the Human Tissue and Blood Services expense classification.

^(g) Health Canada is providing funding for a project to assess current and proposed national health information systems/initiatives and develop a strategic plan for a national health infostructure. Expenses associated with this initiative are included in the Statement of Operations under the Systems Development expense classification.

MINISTRY OF HEALTH AND WELLNESS
 CONSOLIDATED SCHEDULE OF
 EXPENSE - DIRECTLY INCURRED DETAILED BY OBJECT
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

	2001		2000
	Budget (Schedule 4)	Actual	Actual
Program Expenses:			
Grants	\$ 5,263,860	\$ 5,526,941	\$ 5,124,432
Supplies and Services	225,488	256,716	212,248
Salaries, Wages and Employee Benefits	126,657	119,127	111,796
Supplies and Services from Support Service Arrangements with Related Parties (a)	6,052	5,741	6,085
Amortization of capital assets	1,163	1,902	702
Other	160	210	200
Total Expenses	<u>\$ 5,623,380</u>	<u>\$ 5,910,637</u>	<u>\$ 5,455,463</u>

- (a) The Department receives financial and administrative services from the Department of Human Resources and Employment. These services are provided in support of the Persons with Developmental Disabilities Boards.

MINISTRY OF HEALTH AND WELLNESS
 CONSOLIDATED SCHEDULE OF BUDGET
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

	2000/2001 Budget	Authorized Supplementary ^(a)	2000/2001 Authorized Budget ^(b)
Revenues:			
Internal Government Transfers	\$ 127,528	\$ -	\$ 127,528
Transfer from Government of Canada	661,039	-	661,039
Premiums and Fees	682,369	5,000	687,369
Other Revenue	55,452	-	55,452
	<u>1,526,388</u>	<u>5,000</u>	<u>1,531,388</u>
Expenses - Directly Incurred:			
Program			
Regional Health Authorities and Health Boards	3,041,137	231,057	3,272,194
Physician Services	1,042,569	5,000	1,047,569
Services to Persons with Developmental Disabilities	320,881	14,732	335,613
Province-Wide Services	303,963	11,078	315,041
Blue Cross Benefit Program	281,219	10,000	291,219
Protection, Promotion, and Prevention	168,643	1,826	170,469
Other Programs	183,454	13,000	196,454
Human Tissue and Blood Services	90,016	-	90,016
Ministry Support Services	88,249	-	88,249
Allied Health Services	57,935	3,000	60,935
Extended Health Benefits	21,055	-	21,055
Systems Development	23,329	508	23,837
One-Time Financial Assistance	-	8,900	8,900
Premier's Council on the Status of Persons with Disabilities	680	-	680
Premier's Advisory Council on Health	250	-	250
Sterilization Claims Settlements	-	-	-
Year 2000 Compliance	-	-	-
Healthy Aging Partnership	-	-	-
	<u># 5,623,380</u>	<u># 299,101</u>	<u># - 5,922,481</u>
Valuation Adjustments			
Health Care Insurance Premiums Revenue Write-Offs	28,648	-	28,648
Provision for Vacation Pay	602	-	602
	<u>29,250</u>	<u>-</u>	<u>29,250</u>
Loss on Disposal and Write Down of Capital Assets	-	-	-
Total Expense	<u># 5,652,630</u>	<u># 299,101</u>	<u># # 5,951,731</u>
Net Operating Results	<u>\$ (4,126,242)</u>	<u>\$ (294,101)</u>	<u>\$ (4,420,343)</u>
Capital Investment	<u>\$ 2,197</u>	<u>\$ -</u>	<u>\$ 2,197</u>

(a) Supplementary Estimates were approved on December 4, 2000. Treasury Board approval, pursuant to section 29 (1.1) of the *Financial Administration Act* (for net budgeted initiatives), increased dedicated revenue by: \$5,000 for Health Care Insurance Premium Revenue, \$150 for the Advisory Committee on Health Infostructure, and \$358 for the Western Health Information Collaborative.

(b) Transfer of unexpended balances as a result of Order in Council 96/2001 has not been reflected in this Schedule (Note 14).

MINISTRY OF HEALTH AND WELLNESS
 CONSOLIDATED SCHEDULE OF RELATED PARTY TRANSACTIONS
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

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

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

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

	<u>2001</u>	<u>2000</u>
Revenue - Internal Government Transfers	<u>\$ 127,528</u>	<u>\$ 109,643</u>
Expenses - Directly Incurred:		
Other Services	<u>\$ 3,007</u>	<u>\$ 2,243</u>
Accounts Receivable	\$ 27	\$ 2,169
Accounts Payable	<u>\$ 6</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

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

	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others:		
Accommodation	\$ 19,650	\$ 15,917
Other Services	1,117	667
	<u>\$ 20,767</u>	<u>\$ 16,584</u>

MINISTRY OF HEALTH AND WELLNESS
CONSOLIDATED SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

Program	2001		2000		
	Expenses - Incurred by Others		Valuation Adjustments		
	Expenses ^(a)	Legal Services	Vacation Pay	Health Care Insurance Premiums Revenue Write-Offs	Total
Regional Health Authorities and Health Boards	3,292,585	98	\$ -	\$ -	3,292,683
Physician Services	1,070,907	19	-	-	1,070,926
Services to Persons with Developmental Disabilities	333,726	7,748	17	590	342,081
Province-Wide Services	320,466	-	-	-	320,466
Blue Cross Benefit Program	309,769	-	-	-	309,769
Protection, Promotion, and Prevention	158,663	8,324	15	189	167,191
Other Programs	134,260	156	-	-	134,416
Ministry Support Services	90,516	3,045	1,004	94	94,659
Human Tissue and Blood Services	90,016	-	-	-	90,016
Allied Health Services	60,522	-	-	-	60,522
Extended Health Benefits	21,360	-	-	-	21,360
Systems Development	18,179	201	62	8	18,450
One-Time Financial Assistance to Health Authorities	8,892	-	-	-	8,892
Premier's Council on the Status of Persons with Disabilities	632	59	-	-	700
Premier's Advisory Council on Health	144	-	-	-	144
Sterilization Claims Settlements	-	-	19	-	19
Year 2000 Compliance	-	-	-	-	-
Healthy Aging Partnership	-	-	-	-	-
Health Care Insurance Premiums Revenue Write-Offs ^(b)	-	-	-	44,066	44,066
	\$ 5,910,637	\$ 19,650	\$ 1,117	\$ 890	\$ 5,976,360
					\$ 5,976,360
					\$ 5,500,594

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

(b) Health Care Insurance Premiums Revenue Write-Offs relate to Premiums and Fees revenue. They cannot be reasonably allocated to other expenses of the Ministry.

Department of Health and Wellness

Financial Statements

March 31, 2001

DEPARTMENT OF HEALTH AND WELLNESS

FINANCIAL STATEMENTS

MARCH 31, 2001

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule 1 - Revenues

Schedule 2 - Dedicated Revenue Initiatives

Schedule 3 - Expense Directly Incurred Detailed by Object

Schedule 4 - Budget

Schedule 5 – Comparison of Expenses by Element to Authorized Budget

Schedule 6 - Salaries and Benefits

Schedule 7 – Related Party Transactions

Schedule 8 – Allocated Costs



AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Department of Health and Wellness as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Department. 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.

The Department of Health and Wellness is required to follow the corporate government accounting policies and reporting practices as disclosed in Note 2. These accounting policies have been established by Alberta Treasury and are consistent across ministries. The following items are exceptions from Canadian generally accepted accounting principles that arise from following the accounting policies established by Alberta Treasury:

Related Party Transactions

As the corporate government reporting practices stipulate that related parties include only those organizations that are part of the government reporting entity, transactions with the regional health authorities and Provincial health boards are not disclosed in these financial statements as transactions with related parties. Under Canadian generally accepted accounting principles, the regional health authorities and Provincial health boards are related parties of the Department. A description of the nature of the Department's relationship with regional health authorities and Provincial health boards should have been included in Schedule 7, Related Party Transactions. Also, Schedule 7 should disclose the expense for funding provided to regional health authorities and Provincial health boards amounting to \$3,729 million and accrued liabilities of \$64 million.

Capital Assets

The Department employs a policy of expensing capital asset purchases under \$15,000 in the year of acquisition. Consequently a significant amount of resources available to the Department for future use has been recorded as if it had been consumed. It is estimated

that at March 31, 2001, assets are understated and net liabilities are overstated by approximately \$34 million representing the unconsumed cost of capital assets at that date.

If capital asset purchases expensed on acquisition in the current year and previous years had instead been capitalized, amortization on these assets would have been included as expenses of the current year. As the value of capital asset purchases that were expensed in the current year is greater than the amount that would have been recorded as amortization expense, expenses are overstated for the year ended March 31, 2001 by approximately \$6 million.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Department as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	2001		2000
	Budget (Schedule 4)	Actual	Actual
Revenues (Schedules 1 and 2)			
Internal Government Transfers	\$ 127,528	\$ 127,528	\$ 77,184
Transfer from the Government of Canada	661,039	890,991	687,659
Premiums and Fees	680,669	701,203	674,645
Other Revenue	55,057	59,929	52,302
	<u>1,524,293</u>	<u>1,779,651</u>	<u>1,491,790</u>
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	101,552	100,657	87,677
Health Services	5,158,439	5,432,807	4,976,000
Persons with Developmental Disabilities	327,974	342,148	360,551
Alberta Alcohol and Drug Abuse Commission	33,320	35,146	266
	<u>5,621,285</u>	<u>5,910,758</u>	<u>5,424,494</u>
Statutory (Schedule 5)			
Valuation Adjustments			
Health Care Insurance Premiums Revenue Write-Offs	28,648	44,033	29,659
Provision for Vacation Pay	602	855	(1,283)
	<u>29,250</u>	<u>44,888</u>	<u>28,376</u>
Loss on Disposal of Capital Assets	-	-	192
Total Expenses	<u>5,650,535</u>	<u>5,955,646</u>	<u>5,453,062</u>
Net Operating Results	<u>\$ (4,126,242)</u>	<u>\$ (4,175,995)</u>	<u>\$ (3,961,272)</u>

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

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2001
(thousands of dollars)

	2001	2000
ASSETS		
Cash	\$ 3,411	\$ 2,829
Accounts Receivable (Note 3)	179,523	179,540
Travel Advances	6	11
Capital Assets (Note 4)	7,922	5,622
	\$ 190,862	\$ 188,002
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 5)	\$ 282,654	\$ 283,688
Unearned Revenue (Note 6)	267,918	165,982
	550,572	449,670
NET LIABILITIES		
Net Liabilities at Beginning of Year	(261,668)	(149,236)
Net Operating Results	(4,175,995)	(3,961,272)
Net Transfer from General Revenues	4,077,953	3,848,840
Net Liabilities at End of Year	(359,710)	(261,668)
	\$ 190,862	\$ 188,002

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

DEPARTMENT OF HEALTH AND WELLNESS
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	<u>2001</u>	<u>2000</u>
Operating Transactions		
Net Operating Results	\$ (4,175,995)	\$ (3,961,272)
Non-cash items:		
Amortization	1,745	585
Loss on Disposal of Capital Assets	-	192
Health Care Premiums Revenue Write-Offs	44,033	29,659
Provision for Vacation Pay	855	(1,283)
	<u>(4,129,362)</u>	<u>(3,932,119)</u>
(Increase) in Accounts Receivable	(44,016)	(98,583)
Decrease in Travel Advances	5	2,807
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,889)	30,669
Increase in Unearned Revenue	101,936	144,928
Cash (Used) by Operating Transactions	<u>(4,073,326)</u>	<u>(3,852,298)</u>
Investing Transactions		
Purchases of Capital Assets (Schedule 5)	(3,504)	(3,584)
Net Transfer of Capital Assets	(541)	-
Cash (Used) by Investing Transactions	<u>(4,045)</u>	<u>(3,584)</u>
Financing Transactions		
Net Transfer from General Revenues	4,077,953	3,848,840
Net Cash Provided (Used)	<u>582</u>	<u>(7,042)</u>
Cash, Beginning of Year	2,829	9,871
Cash, End of Year	<u>\$ 3,411</u>	<u>\$ 2,829</u>

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

DEPARTMENT OF HEALTH AND WELLNESS
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

Note 1 Authority and Purpose

The Department of Health and Wellness (the Department) operates under the authority of the *Government Organization Act*, Statutes of Alberta.

The purpose of the Department is to maintain and improve the health of Albertans by leading and working collaboratively with citizens and stakeholders. The Department leads and supports a system for the delivery of quality health services and encourages and supports healthy living.

Through a leadership role, the Department sets direction, policy and provincial standards that ensure quality services and set priorities based on health needs, determine the scope of financial, capital and human resources required, and measure and report on the performance of the system. The Department is also engaged in inter-ministerial initiatives to effectively address challenges to the health and well-being of the population.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments. The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Department of Health and Wellness, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

Other entities reporting to the Minister are the Regional Health Authorities, the Alberta Cancer Board, Alberta Mental Health Board, Alberta Alcohol and Drug Abuse Commission and the Persons with Developmental Disabilities Boards. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

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

(a) Reporting Entity (continued)

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

(b) Basis of Financial Reporting

(i) Revenues

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

(ii) 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.

(iii) Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote.

If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

(iv) 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.

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

(b) Basis of Financial Reporting (continued)

(iv) Expenses (continued)

Directly Incurred (continued)

Directly incurred expenses include:

- amortization of 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.

Incurred by Others

Expenses incurred by other entities in support of the Department's operations are disclosed in Schedule 8. Expenses incurred by others are not included in the Department's statement of operations.

(v) Assets

Financial assets of the Department are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as the bank balance established under the Health Care Insurance Plan.

Assets acquired by right are not included. 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 capital assets is \$15,000. All land is capitalized.

(vi) Liabilities

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

(vii) Net Liabilities

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

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

(b) Basis of Financial Reporting (continued)

(viii) Valuation of Financial Assets and Liabilities

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

The fair values of accounts receivable, travel advances, accounts payable and accrued liabilities, and unearned revenue are estimated to approximate their book values.

(ix) Payments under Reciprocal and Other Agreements

The Department entered into agreements with other Provincial Governments, the Federal Government and the Workers' Compensation Board to provide services on their behalf.

Expenses incurred and revenue earned in the provision of services under these agreements are recorded in the records of the service providers and are not included in these financial statements. Amounts paid and recovered under these agreements are disclosed in Note 9.

(x) Measurement Uncertainty (amount in thousands)

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

The allowance for doubtful accounts, in the amount of \$133,741 as reported in Note 3 to these financial statements, is based on an aging analysis of the accounts receivable balance at March 31, 2001 and past collection patterns. The actual amount collected could vary from that estimated.

Note 3 Accounts Receivable
(amounts in thousands)

	2001			2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 310,883	\$ 133,741	\$ 177,142	\$ 172,596
Refunds from Suppliers	2,381	-	2,381	6,944
	<u>\$ 313,264</u>	<u>\$ 133,741</u>	<u>\$ 179,523</u>	<u>\$ 179,540</u>

Accounts receivable are unsecured.

Note 4 Capital Assets
(amounts in thousands)

	Estimated Useful Life	2001			2000
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer hardware and software	3-10 years	\$ 16,258	\$ 8,479	\$ 7,779	\$ 5,439
Equipment	10 years	1,914	1,771	143	183
		<u>\$ 18,172</u>	<u>\$ 10,250</u>	<u>\$ 7,922</u>	<u>\$ 5,622</u>

Note 5 Accounts Payable and Accrued Liabilities
(amounts in thousands)

	2001	2000
Accounts payable	\$ 42,135	\$ 43,723
Accrued liabilities	229,032	229,332
Accrued vacation pay	11,487	10,633
	<u>\$ 282,654</u>	<u>\$ 283,688</u>

Note 6 Unearned Revenue
(amounts in thousands)

	<u>2001</u>	<u>2000</u>
Changes in unearned revenues are as follows:		
Restricted Cash received during the year:		
Health Canada		
Canada Health and Social Transfer - Health Supplement	\$ 246,995	\$ 336,402
Medical Equipment Trust Fund	97,760	-
Health Care Insurance Premiums	22,095	21,672
Third party recoveries	34	52
Western Health Information Collaborative	<u>358</u>	<u>-</u>
	367,242	358,126
Less amounts recognized as revenue in the year	<u>(265,306)</u>	<u>(213,198)</u>
Increase during the year	101,936	144,928
Balance at beginning of year	<u>165,982</u>	<u>21,054</u>
Balance at end of year	<u><u>\$ 267,918</u></u>	<u><u>\$ 165,982</u></u>
Balances at end of year are comprised of:		
Health Canada - Canada Health and Social Transfer	\$ 196,684	\$ 144,258
Health Canada - Medical Equipment Trust Fund	49,042	-
Health Care premiums	22,095	21,672
Third party recoveries	34	52
Western Health Informative Collaborative	<u>63</u>	<u>-</u>
	<u><u>\$ 267,918</u></u>	<u><u>\$ 165,982</u></u>

Note 7 Commitments
(amounts in thousands)

As at March 31, 2001, the Department has the following commitments:

	<u>2001</u>	<u>2000</u>
Specific programs commitments ^(a)	\$ 2,675,612	\$ 1,061,348
Service contracts	70,262	40,465
Equipment leases ^(b)	<u>3,865</u>	<u>4,454</u>
	<u>\$ 2,749,739</u>	<u>\$ 1,106,267</u>

^(a) Included in 2001 specific program commitments is an amount of \$2,539,700 for the provision of medical services by physicians to March 31, 2003 under the agreement signed with the Alberta Medical Association. Prior year specific program commitments include \$934,100 for the provision of medical services to March 31, 2001.

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

<u>Year</u>	<u>2001</u>	<u>2000</u>
2001	\$ -	\$ 1,932
2002	1,804	1,440
2003	1,256	540
2004	583	319
2005	111	112
2006	<u>111</u>	<u>111</u>
	<u>\$ 3,865</u>	<u>\$ 4,454</u>

Canadian Blood Services

The Province of Alberta has committed to provide funding to the Canadian Blood Services (CBS). This commitment was outlined in a Memorandum of Understanding, signed in January 1998, which recorded the understandings and commitments of the Minister of Health of Canada and the Provincial and Territorial Ministers of Health (except Quebec) regarding their respective roles and responsibilities in a renewed national blood system.

The Province's obligation for the operational costs of CBS is determined on a per capita basis, and the costs for fractionated blood and blood products is determined on the basis of annual utilization of these products.

During the year, payments to CBS amounted to \$90,016 (2000 - \$81,312). Budgeted expenditure for the 2002 fiscal year is estimated at \$100,016.

Note 8 Contingencies

Sexual Sterilization Claims

The Department of Health and Wellness has a contingent liability in respect of 27 claims (2000 - 62 claims) aggregating \$18.2 million (2000 - \$34 million) relating to the decisions made by the Eugenics Board of Alberta pursuant to the *Sexual Sterilization Act* of 1928, which was repealed in 1972. The ultimate outcome of these claims cannot be determined. A provision for potential losses of \$14 million (2000 - \$17.7 million) has been made.

Hepatitis C

The Department was named as defendant in 53 specific legal actions (2000 – 53 specific legal actions) relating to the Hepatitis C virus affected through the Canadian blood system. The total claimed in 40 specific legal actions approximates \$585 million (2000 - \$137 million). For the other 13 claims, no specified amount has yet been claimed; the amount of these claims will be determined at trial. All of these claims are covered by the Alberta Risk Management Fund. Potential liability for these claims is shared by the Canadian Red Cross Society and the federal government. The resulting loss, if any, from these claims cannot be determined.

Federal, provincial and territorial governments have agreed to offer financial assistance to Canadians who were affected by the Hepatitis C virus through the Canadian blood system during the period from January 1, 1986 to July 1, 1990. The financial package of \$1.1 billion is national in scope. Alberta's share of the financial assistance package is estimated at \$30 million. The details of assistance will be determined through a negotiation process submitted to the courts for approval. The Department made a provision in 1999-2000 for its portion of the Hepatitis C assistance. At March 31, 2001 the unpaid balance of the Department's commitment to the financial assistance package was \$22,951,000 (2000 - \$30,000,000).

Voluntary Hospital Owners

The Department is liable under equity agreements entered into in 1969 between the Department and Voluntary Hospital Owners. The Department's liability is contingent upon termination of the equity agreements and concurrent transfer of ownership to the Province. The payout upon termination is estimated at \$25.8 million (2000 - \$22.6 million).

Other

At March 31, 2001, the Department was named as defendant in 8 other legal actions (2000 - 30 legal actions). The total claimed in these other legal actions approximates \$46.4 million (2000 - \$33.2 million). Three claims (2000 - fourteen claims) amounting to \$3.8 million (2000 - \$18.7 million) are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

Note 9 Payments under Reciprocal and Other Agreements
(amounts in thousands)

The Department entered into agreements, under the Alberta Health Care Insurance Plan, with other Provincial Governments and the Workers' Compensation Board to provide health services on their behalf. The Department pays service providers for services rendered under the agreements and recovers the amount paid from other provinces and the Workers' Compensation Board. Service providers include Regional Health Authorities, Provincial Health Boards and physicians.

The Department has also entered into an agreement with the Federal Government for the Health Transition Fund (Primary Health Care Project) to support the objective of studying and encouraging the further advancement of primary health care in Alberta. In addition, the Department entered into agreements with Health Canada, the Workers' Compensation Board and other provincial governments and territories to provide air ambulance services on their behalf. Payments incurred under this agreement are made by the Department under authority of the *Financial Administration Act*, Section 29.1 (1).

Balances receivable from or payable to the Federal Government, other Provincial Governments and the Workers' Compensation Board are reflected in the Statement of Financial Position.

	2001					2000
	Health Transition Fund	Other Provincial Government	Workers' Compensation Board	Air Ambulance	Total	Total
Opening receivable balance	\$ 2,888	\$ 18,234	\$ 832	\$ 1,876	\$ 23,830	\$ 15,873
Add: Payments made during the year	1,310	107,275	628	2,747	111,960	107,227
	4,198	125,509	1,460	4,623	135,790	123,100
Less: Collections received during the year	4,271	110,121	1,489	2,184	118,065	99,270
Closing receivable (payable) balance	\$ (73)	\$ 15,388	\$ (29)	\$ 2,439	\$ 17,725	\$ 23,830

Note 10 Pensions

(amounts in thousands)

The Department participates in multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Department also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,479 for the year ended March 31, 2001 (2000 - \$2,153).

At December 31, 2000, the Management Employees Pension Plan reported a surplus of \$104,658 (1999 - \$46,019) and the Public Service Pension Plan reported a surplus of \$635,084 (1999 - \$517,020). At December 31, 2000, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$180 (1999 - \$33).

Note 11 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 12 Government Restructuring

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Persons with Developmental Disabilities Boards and Foundation, Michener Centre, and the Premier's Council on the Status of Persons with Disabilities were transferred to the Ministry of Community Development. Responsibility for the Healthy Aging Partnership program was transferred from the Department to the Ministry of Seniors.

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these financial statements have been prepared as if the restructuring took place on April 1, 2001, to provide proper accountability for the 2000/2001 fiscal year against the original business plan.

Note 13 Approval of Financial Statements

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

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF REVENUES
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	2001		2000
	Budget (Schedule 4)	Actual	Actual
Internal Government Transfers:			
Transfer from the Lottery Fund	\$ 127,528	\$ 127,528	\$ 26,300
Transfer from Community Development	-	-	50,884
	<u>127,528</u>	<u>127,528</u>	<u>77,184</u>
Transfers from the Government of Canada:			
Canada Health and Social Transfer	450,748	643,293	493,074
Canada Health and Social Transfer - Health Supplement	194,068	194,569	192,144
Other	16,223	53,129	2,441
	<u>661,039</u>	<u>890,991</u>	<u>687,659</u>
Premiums and Fees:			
Health care insurance:			
Premiums before premium assistance	645,701	764,472	740,793
Less:			
Premium assistance under legislation	-	(100,028)	(101,974)
	<u>645,701</u>	<u>664,444</u>	<u>638,819</u>
Add:			
Penalties	13,548	15,360	14,043
Interest and miscellaneous	500	476	441
	<u>659,749</u>	<u>680,280</u>	<u>653,303</u>
Health care insurance premiums, penalties and interest			
Non-Group Blue Cross Benefits:			
Premiums before premium assistance	20,000	22,232	22,403
Less premium assistance	-	(2,202)	(2,247)
	<u>20,000</u>	<u>20,030</u>	<u>20,156</u>
Non-Group Blue Cross premiums			
Total premiums	679,749	700,310	673,459
Residency fees	900	779	1,185
Other	20	114	1
	<u>680,669</u>	<u>701,203</u>	<u>674,645</u>
Other revenue:			
Third party recoveries	52,595	53,297	47,371
Miscellaneous:			
Previous years' refunds of expenditure	1,600	4,630	2,772
Other	862	2,002	2,159
	<u>55,057</u>	<u>59,929</u>	<u>52,302</u>
Total revenue	<u>\$ 1,524,293</u>	<u>\$ 1,779,651</u>	<u>\$ 1,491,790</u>

DEPARTMENT OF HEALTH AND WELLNESS
 SCHEDULE OF DEDICATED REVENUE INITIATIVES
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

	2001		(Shortfall)/ Excess
	Authorized Dedicated Revenues	Actual Dedicated Revenues ^(a)	
Health Care Insurance Premium Revenue ^(b)	\$ 664,749	\$ 680,280	\$ 15,531
Non-Group Drug Benefits ^(c)	20,000	20,030	30
Archival Blood Bank Record Review for Hepatitis C ^(d)	2,500	1,536	(964)
Western Health Information Collaborative ^(e)	358	295	(63)
Advisory Committee on Health Infostructure ^(f)	150	150	-
Health Services for Persons with Hepatitis C ^(g)	<u>2,700</u>	<u>-</u>	<u>(2,700)</u>
	<u>\$ 690,457</u>	<u>\$ 702,291</u>	<u>\$ 11,834</u>

- (a) Revenues from dedicated revenue initiatives are included in the Department's revenues in the statement of operations.
- (b) Albertans contributed to the cost of health programs through Health Care Insurance Premiums. The levels of premiums paid by an individual or family are based on their ability to pay as defined by income. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.
- (c) Albertans can access public or private supplemental health insurance coverage. The Department provides non-group Blue Cross coverage on a premium basis for non-seniors. Seniors are provided coverage, but do not pay premiums. Expenses under the Non-Group Drug Benefits initiative represent the expenses incurred to provide Blue Cross services. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.
- (d) Health Canada is providing 50 per cent of the funding to contact all persons who received blood transfusions in Alberta for the period January 1, 1986 to July 1, 1990. Those persons will be advised to seek testing and treatment, as they may have been exposed to the Hepatitis C (HCV) virus. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.
- (e) As a result of directives from the Deputy Ministers of Health for western Canada, the Health Ministry Chief Information Officers representing the western provinces and territories formed the Western Health Information Collaborative (WHIC). This collaborative is supported through funding received from other western provinces and territories. The collaborative will explore common opportunities that meet western provinces and territories' health information needs and support the strategic directions and initiatives for health infostructure at the national level. Expenses associated with this initiative are included in the Statement of Operations under the Ministry Support Services expense classification.
- (f) Health Canada is providing funding for a project to assess current and proposed national health information systems/initiatives and develop a strategic plan for a national health infostructure. Expenses associated with this initiative are included in the Statement of Operations under the Ministry Support Services expense classification.
- (g) Health Canada is providing funding to provide health services to individuals who acquired the Hepatitis C virus from blood and blood products prior to Jan. 1, 1986 and after July 1, 1990. The funding will be used to treat the HCV infection using antiviral drug therapies, immunization and nursing care. Expenses associated with this initiative are included in the Statement of Operations under the Health Services expense classification.

DEPARTMENT OF HEALTH AND WELLNESS
 SCHEDULE OF EXPENSE - DIRECTLY INCURRED DETAILED BY OBJECT
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

	2001		2000
	Budget	Actual	Actual
	(Schedule 4)		
Voted:			
Grants	\$ 5,482,059	\$ 5,766,756	\$ 5,299,596
Supplies and Services	91,285	97,289	82,870
Salaries, Wages and Employee Benefits	40,643	39,064	35,174
Supplies and Services from Support Service			
Arrangements with Related Parties ^(a)	6,052	5,734	6,085
Amortization of Capital Assets	1,101	1,745	585
Other	145	170	184
	<u>145</u>	<u>170</u>	<u>184</u>
Total Voted Expenses	<u>\$ 5,621,285</u>	<u>\$ 5,910,758</u>	<u>\$ 5,424,494</u>

^(a) The Department receives financial and administrative services from the Department of Human Resources and Employment. These services are provided in support of the Persons with Developmental Disabilities Boards.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF BUDGET
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	2000/2001 Budget	Authorized Supplementary ^(a)	2000/2001 Authorized Budget ^(b)
Revenues:			
Internal Government Transfers	\$ 127,528	\$ -	\$ 127,528
Transfer from Government of Canada	661,039	-	661,039
Premiums and Fees	680,669	5,000	685,669
Other Revenue	55,057	-	55,057
	<u>1,524,293</u>	<u>5,000</u>	<u>1,529,293</u>
Expenses - Directly Incurred:			
Voted Expenses			
Ministry Support Services	101,552	508	102,060
Health Services	5,158,439	282,035	5,440,474
Persons with Developmental Disabilities	327,974	14,732	342,706
Alberta Alcohol and Drug Abuse Commission	33,320	1,826	35,146
	<u>5,621,285</u>	<u>299,101</u>	<u>5,920,386</u>
Statutory Expenses			
Valuation Adjustments			
Health Care Insurance Premiums			
Revenue Write-Offs	28,648	-	28,648
Provision for Vacation Pay	602	-	602
	<u>29,250</u>	<u>-</u>	<u>29,250</u>
Loss on Disposal of Capital Assets	-	-	-
Total Expense	<u>5,650,535</u>	<u>299,101</u>	<u>5,949,636</u>
Net Operating Results	<u>\$ (4,126,242)</u>	<u>\$ (294,101)</u>	<u>\$ (4,420,343)</u>
Capital Investment	<u>\$ 2,157</u>	<u>\$ -</u>	<u>\$ 2,157</u>

^(a) Supplementary Estimates were approved on December 4, 2000. Treasury Board approval, pursuant to section 29 (1.1) of the Financial Administration Act (for net budgeted initiatives), increased dedicated revenue by: \$5,000 for Health Care Insurance Premium Revenue, \$150 for the Advisory Committee on Health Infrastructure, and \$358 for the Western Health Information Collaborative.

^(b) Transfer of unexpended balances as a result of Order in Council 96/2001 has not been reflected in this Schedule (Note 12).

DEPARTMENT OF HEALTH AND WELLNESS
 SCHEDULE OF COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL
 INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

	2000/2001 Budget	Authorized Supplementary ^(a)	2000/2001 Authorized Budget ^(b)	2000/2001 Actual Expense ^(c)	Unexpended (Over Expended)
Voted Expenses and Capital Investments					
Ministry Support Services					
1.0.1 Minister's Office	\$ 351	\$ -	\$ 351	\$ 346	\$ 5
1.0.2 Associate Minister's Office	336	-	336	225	111
1.0.3 Deputy Minister's Office	333	-	333	331	2
1.0.4 Public Communications	803	-	803	1,441	(638)
1.0.5 Policy and Planning Services	3,838	-	3,838	4,180	(342)
1.0.6 Health Information and Accountability					
- Operating Expense	38,083	508	38,591	38,590	1
- Capital Investment	1,150	-	1,150	2,379	(1,229)
1.0.7 Alberta Wellnet Administration - funded by Lotteries	2,021	-	2,021	2,221	(200)
1.0.8 Health Strategies	10,003	-	10,003	9,913	90
1.0.9 Health Workforce and Administrative Services					
- Operating Expense	13,794	-	13,794	13,905	(111)
- Capital Investment	416	-	416	-	416
1.0.10 Financial Services	11,408	-	11,408	11,636	(228)
1.0.11 Health Care Insurance Plan Administration	11,024	-	11,024	10,584	440
1.0.12 Programs Administration	2,925	-	2,925	3,611	(686)
1.0.13 Health Facilities Review Committee	551	-	551	478	73
1.0.14 Mental Health Patient Advocate's Office	302	-	302	263	39
1.0.15 Premier's Council on the Status of Persons with Disabilities	680	-	680	632	48
1.0.16 Health Services Utilization Commission	1,000	-	1,000	-	1,000
1.0.17 Premier's Advisory Council on Health	250	-	250	144	106
1.0.18 Health Advisory and Appeal Services	3,755	-	3,755	2,071	1,684
1.0.19 Standing Policy Committee on Health and Safe Communities	95	-	95	86	9
	\$ 103,118	\$ 508	\$ 103,626	\$ 103,036	\$ 590
Health Services					
2.1.1 Medical Services	\$ 963,310	\$ 5,000	\$ 968,310	\$ 992,657	\$ (24,347)
2.1.2 Alternate Payments - funded by Lotteries	10,350	-	10,350	9,603	747
2.1.3 Allied Health Services	57,935	3,000	60,935	60,522	413
2.1.4 Extended Health Benefits	21,055	-	21,055	21,360	(305)
2.1.5 Rural Initiatives	15,400	-	15,400	15,398	2
2.1.6 Medical Education Allowances	53,509	-	53,509	53,249	260
2.2.1 Human Tissue and Blood Services	90,016	-	90,016	90,016	-
2.2.2 Equity Agreements	3,008	-	3,008	1,293	1,715
2.2.3 Purchase of Vaccines and Sera	15,910	-	15,910	12,745	3,165
2.2.4 Provincial Laboratories of Public Health	13,711	-	13,711	13,710	1
2.2.5 Blue Cross Benefit Program	281,219	10,000	291,219	309,769	(18,550)
2.2.6 Ambulance Services	42,350	-	42,350	39,743	2,607
2.2.7 Out of Province Health Care Costs	42,120	-	42,120	38,110	4,010
2.2.8 Alberta Aids to Daily Living	63,336	-	63,336	66,667	(3,331)
2.2.9 Health Services Research	8,000	-	8,000	9,100	(1,100)
2.2.10 Aboriginal Health Strategies - funded by Lotteries	3,000	-	3,000	1,074	1,926
2.2.11 Federal Nursing Stations - funded by Lotteries	2,550	-	2,550	866	1,684
2.2.12 Alberta Wellnet					
- Operating Expense funded by Lotteries	12,404	-	12,404	12,705	(301)
- Capital Investment funded by Lotteries	575	-	575	1,125	(550)
2.2.13 Community Support	32,017	-	32,017	29,037	2,980
2.2.14 Dedicated Program Funding	47,238	11,000	58,238	14,740	43,498
2.3.1 Chinook Regional Health Authority	155,022	4,597	159,619	161,240	(1,621)
2.3.2 Palliser Regional Health Authority	84,820	2,532	87,352	88,285	(933)
2.3.3 Headwaters Regional Health Authority	48,716	1,512	50,228	49,830	398
2.3.4 Calgary Regional Health Authority	823,071	27,508	850,579	857,254	(6,675)
2.3.5 Regional Health Authority #5	41,217	1,449	42,666	43,026	(360)
2.3.6 David Thompson Regional Health Authority	163,829	4,885	168,714	170,307	(1,593)
2.3.7 East Central Regional Health Authority	109,131	3,250	112,381	113,203	(822)
2.3.8 Westview Regional Health Authority	42,221	1,181	43,402	44,261	(859)
2.3.9 Crossroads Regional Health Authority	37,304	1,130	38,434	38,914	(480)
2.3.10 Capital Regional Health Authority	878,299	30,855	909,154	926,724	(17,570)
2.3.11 Aspen Regional Health Authority	51,445	1,801	53,246	53,747	(501)
2.3.12 Lakeland Regional Health Authority	92,422	2,305	94,727	95,655	(928)
2.3.13 Mistahia Regional Health Authority	77,888	2,425	80,313	83,933	(3,620)
2.3.14 Peace Regional Health Authority	21,711	1,411	23,122	23,901	(779)
2.3.15 Keeweenaw Regional Health Authority	18,364	564	18,928	17,807	1,121
2.3.16 Northern Lights Regional Health Authority	26,994	522	27,516	28,750	(1,234)
2.3.17 Northwestern Regional Health Authority	14,297	386	14,683	14,707	(24)
2.3.18 Alberta Cancer Board	94,142	9,829	103,971	105,755	(1,784)

DEPARTMENT OF HEALTH AND WELLNESS
 SCHEDULE OF COMPARISON OF EXPENSES - DIRECTLY INCURRED AND CAPITAL
 INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
 FOR THE YEAR ENDED MARCH 31, 2001
 (thousands of dollars)

	2000/2001 Budget	Authorized Supplementary ^(a)	2000/2001 Authorized Budget ^(b)	2000/2001 Actual Expense ^(c)	Unexpended (Over Expended)
Voted Expenses and Capital Investments					
2.3.19 Alberta Mental Health Board	183,494	17,180	200,674	200,251	423
2.3.20 Innovation Fund					
- Operating Expense	4,900	-	4,900	135	4,765
- Operating Expense funded by Lotteries	10,000	-	10,000	9,996	4
2.3.21 Advanced Medical Equipment					
- Operating Expense	-	14,000	14,000	14,000	-
- Operating Expense funded by Lotteries ^(d)	10,000	-	10,000	10,000	-
2.3.22 Supplemental Capital Equipment Funding					
- Operating Expense	-	98,735	98,735	98,735	-
- Operating Expense funded by Lotteries ^(e)	38,207	-	38,207	38,207	-
2.3.23 Alberta Wellness Initiative - funded by Lotteries	4,744	-	4,744	6,410	(1,666)
2.3.24 Dedicated Program Funding	43,800	5,000	48,800	15,998	32,802
2.3.26 One Time Financial Assistance	-	8,900	8,900	8,946	(46)
2.4.1 Province Wide Services - Calgary Regional Health Authority	149,151	3,000	152,151	156,764	(4,613)
2.4.2 Province Wide Services - Capital Regional Health Authority	152,112	8,078	160,190	163,702	(3,512)
2.4.3 Province Wide Services - Unallocated	2,700	-	2,700	-	2,700
	<u>\$ 5,159,014</u>	<u>\$ 282,035</u>	<u>\$ 5,441,049</u>	<u>\$ 5,433,932</u>	<u>\$ 7,117</u>
Persons with Developmental Disabilities					
3.1.1 Program Support					
- Operating Expense	\$ 7,093	\$ -	\$ 7,093	\$ 6,068	\$ 1,025
- Capital Investment	16	-	16	-	16
3.2.1 Foundation - funded by Lotteries	357	-	357	357	-
3.2.2 Provincial Board - Operations	2,161	-	2,161	11,029	(8,868)
3.2.3 Northwest Community Board	11,821	575	12,396	12,394	2
3.2.4 Northeast Community Board	15,769	869	16,638	16,652	(14)
3.2.5 Edmonton Community Board	87,474	4,493	91,967	91,966	1
3.2.6 Central Community Board	45,769	2,902	48,671	48,676	(5)
3.2.7 Calgary Community Board	74,008	3,963	77,971	77,986	(15)
3.2.8 South Community Board	32,833	1,930	34,763	34,766	(3)
3.2.9 Michener Centre Facility Board	42,254	-	42,254	42,254	-
3.2.10 Provincial Board - Unallocated	8,435	-	8,435	-	8,435
	<u>\$ 327,990</u>	<u>\$ 14,732</u>	<u>\$ 342,722</u>	<u>\$ 342,148</u>	<u>\$ 574</u>
Alberta Alcohol and Drug Abuse Commission					
4.0.1 Assistance to Alberta Alcohol and Drug Abuse Commission					
- Operating Expense	\$ -	\$ 1,826	\$ 1,826	\$ 1,826	\$ -
- Operating Expense funded by Lotteries	33,320	-	33,320	33,320	-
	<u>\$ 33,320</u>	<u>\$ 1,826</u>	<u>\$ 35,146</u>	<u>\$ 35,146</u>	<u>\$ -</u>
Total Voted Expenses	<u>\$ 5,623,442</u>	<u>\$ 299,101</u>	<u>\$ 5,922,543</u>	<u>\$ 5,914,262</u>	<u>\$ 8,281</u>
Program Operating Expenses	<u>\$ 5,494,332</u>	<u>\$ 299,101</u>	<u>\$ 5,793,433</u>	<u>\$ 5,785,999</u>	<u>\$ 7,434</u>
Program Operating Expenses funded by Lotteries	126,953	-	126,953	124,759	2,194
	<u>\$ 5,621,285</u>	<u>\$ 299,101</u>	<u>\$ 5,920,386</u>	<u>\$ 5,910,758</u>	<u>\$ 9,628</u>
Program Capital Investment	<u>\$ 1,582</u>	<u>\$ -</u>	<u>\$ 1,582</u>	<u>\$ 2,379</u>	<u>\$ (797)</u>
Program Capital Investment funded by Lotteries	575	-	575	1,125	(550)
	<u>\$ 2,157</u>	<u>\$ -</u>	<u>\$ 2,157</u>	<u>\$ 3,504</u>	<u>\$ (1,347)</u>
Total Voted Expenses	<u>\$ 5,623,442</u>	<u>\$ 299,101</u>	<u>\$ 5,922,543</u>	<u>\$ 5,914,262</u>	<u>\$ 8,281</u>
Statutory Expenses:					
Health Care Insurance Premiums Revenue Write-Offs	\$ 28,648	\$ -	\$ 28,648	\$ 44,033	\$ (15,385)
Provision for Vacation Pay	602	-	602	855	(253)
	<u>\$ 29,250</u>	<u>\$ -</u>	<u>\$ 29,250</u>	<u>\$ 44,888</u>	<u>\$ (15,638)</u>

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF COMPARISON OF EXPENSES – DIRECTLY INCURRED AND CAPITAL
INVESTMENTS BY ELEMENT TO AUTHORIZED BUDGET
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

- (a) Supplementary Estimates were approved on December 4, 2000. Treasury Board approval, pursuant to section 29 (1.1) of the Financial Administration Act (for net budgeted initiatives), increased dedicated revenue by: \$5,000 for Health Care Insurance Premium Revenue, \$150 for the Advisory Committee on Health Infostructure, and \$358 for the Western Health Information Collaborative.
- (b) Transfer of unexpended balances as a result of Order in Council 96/2001 has not been reflected in this Schedule (Note 12).
- (c) Includes achievement bonus of \$700.
- (d) Distributed as restricted funding to grant recipients.
- (e) Distributed to grant recipients as unrestricted funding.

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2001

	2001			2000
	Salary ⁽¹⁾	Benefits and Allowances ⁽²⁾	Total	Total ⁽³⁾
Deputy Minister ⁽⁴⁾	\$ 168,987	\$ 37,951	\$ 206,938	\$ 184,670
Special Advisor to the Deputy Minister ^{(4) (5)}	20,239	4,970	25,209	107,266
Assistant Deputy Ministers				
Health Information and Accountability	118,803	25,544	144,347	124,539
Health Strategies ⁽⁶⁾	123,662	34,912	158,574	136,952
Health Workforce Services	119,300	22,988	142,288	130,922
Policy and Planning Services ⁽⁷⁾	102,377	22,838	125,215	120,481
Chief Financial Officer Finance and Health Plan Administration	124,184	28,094	152,278	136,948

This schedule discloses the salaries and benefits of the Department's senior decision making group. The presentation format has changed with prospective application from April 1, 2000. Under the new format the total salary and benefits relating to a position are disclosed. Comparatives show the salary and benefits of the last incumbent at March 31, 2000.

- (1) Salary includes regular base pay, bonuses, overtime, and lump sum payments.
- (2) Benefits and allowances include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, WCB premiums, professional memberships and tuition.
- (3) Amounts previously reported for 2000 did not include retroactive pay and benefits and allowances relating to achievement bonuses that were paid in 2001. The 2000 comparative amounts have been restated accordingly.
- (4) Automobile provided, no dollar amount was included in benefits and allowances.
- (5) The incumbent was seconded on a two year term from Executive Council as Special Advisor to the Deputy Minister on July 20, 1999. On June 7, 2000 the incumbent ceased to be a member of the Department's senior decision making group.
- (6) Benefits and allowances include vacation payments for the Assistant Deputy Minister of Health Strategies of \$8,267 (2000 - \$Nil).
- (7) Previously reported as Executive Director, Corporate Services.

**DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)**

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department. The Entities in the Ministry are Alberta Alcohol and Drug Abuse Commission and Persons with Developmental Disabilities Provincial, Community and Facility Boards.

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

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

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues				
Grants	\$ -	\$ -	\$ 127,528	\$ 77,184
Expenses - Directly Incurred				
Grants	\$ 371,226	\$ 291,056	\$ -	\$ -
Other Services	-	-	2,807	2,176
	<u>\$ 371,226</u>	<u>\$ 291,056</u>	<u>\$ 2,807</u>	<u>\$ 2,176</u>
Receivable from	\$ -	\$ 263	\$ -	\$ -
(Payable) to	<u>\$ -</u>	<u>\$ (25,242)</u>	<u>\$ -</u>	<u>\$ -</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 8.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 3,562	\$ 3,090
Other Services	-	-	1,085	667
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,647</u>	<u>\$ 3,757</u>

DEPARTMENT OF HEALTH AND WELLNESS
SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2001
(thousands of dollars)

	2001						2000
	Expenses - Incurred by Others			Valuation Adjustments			Total
	Expenses ^(a)	Accommodation Costs	Legal Services	Vacation Pay	Health Care Insurance Revenue Write-Offs	Total	
Ministry Support Services	\$ 100,657	\$ 3,445	\$ 1,004	\$ 265	\$ -	\$ 105,371	\$ 91,505
Health Services	5,432,807	117	62	-	-	5,432,986	4,976,123
Persons with Developmental Disabilities	342,148	-	19	590	-	342,757	359,067
Alberta Alcohol and Drug Abuse Commission	35,146	-	-	-	-	35,146	273
Health Care Insurance Premiums Revenue Write-Offs ^(b)	-	-	-	-	44,033	44,033	29,659
	<u>\$ 5,910,758</u>	<u>\$ 3,562</u>	<u>\$ 1,085</u>	<u>\$ 855</u>	<u>\$ 44,033</u>	<u>\$ 5,960,293</u>	<u>\$ 5,456,627</u>

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

(b) Health Care Insurance Premiums Revenue Write-Offs relate to Premiums and Fees revenue. They cannot be reasonably allocated to other expenses of the Department.

Alberta Alcohol and Drug Abuse Commision

Financial Statements

March 31, 2001

ALBERTA ALCOHOL AND DRUG
ABUSE COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001

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AUDITOR'S REPORT

To the Members of the Alberta Alcohol and Drug Abuse Commission

I have audited the statement of financial position of the Alberta Alcohol and Drug Abuse Commission as at March 31, 2001 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Commission'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.

Starting in fiscal year 1999-2000, the Commission changed how it records capital assets. Capital assets costing less than \$5,000 each are now expensed. Consequently, a significant amount of furniture and equipment available to the Commission has been expensed and not reported in the statement of financial position as required by Canadian generally accepted accounting principles. As at March 31, 2001, assets are understated and accumulated deficit overstated by an estimated \$1,020,000 and expenses for the fiscal year then ended are overstated by approximately \$280,000.

In my opinion, except for the effects of the matter discussed in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 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 Peter Valentine] FCA
Auditor General

Edmonton, Alberta
June 5, 2001

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

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2001

	<u>2001</u>	<u>2000</u>
ASSETS		
Current assets:		
Cash (Note 3)	\$ 3,308,716	\$ 3,396,954
Accounts receivable	214,992	375,887
Inventory	<u>182,624</u>	<u>150,626</u>
	3,706,332	3,923,467
Capital assets (Note 4)	<u>84,763</u>	<u>133,179</u>
	<u><u>\$ 3,791,095</u></u>	<u><u>\$ 4,056,646</u></u>
LIABILITIES AND ACCUMULATED DEFICIT		
Current liabilities:		
Accounts payable	\$ 2,684,935	\$ 3,043,933
Accrued vacation pay	\$ 2,226,000	\$ 2,190,000
Deferred contributions (Note 5)	227,445	214,089
Unearned revenue	<u>22,424</u>	<u>19,434</u>
	<u>5,160,804</u>	<u>5,467,456</u>
Accumulated deficit:		
At beginning of year	(1,410,810)	(536,848)
Net operating results	<u>41,101</u>	<u>(873,962)</u>
At end of year	<u>(1,369,709)</u>	<u>(1,410,810)</u>
	<u><u>\$ 3,791,095</u></u>	<u><u>\$ 4,056,646</u></u>

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

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2001

	2001		2000
	Budget (Note 7)	Actual	Actual
Revenues (Schedule 1):			
Internal government transfers:			
Department of Health and Wellness	33,320,000	35,146,000	265,665
Lottery Fund (Note 8)	-	-	\$ 27,875,000
Lottery Fund for Problem Gambling (Note 8)	-	-	3,584,208
Department of Children's Services (Note 8)	-	-	1,272,631
Other revenues:			
Fees	1,700,000	1,578,697	1,407,131
Other	395,000	784,902	598,147
	<u>35,415,000</u>	<u>37,509,599</u>	<u>35,002,782</u>
Expenses - Directly Incurred: (Schedule 2 and 3, Note 2)			
Programs:			
Community services	15,747,000	16,638,750	15,724,897
Residential treatment services	9,480,000	9,129,912	8,836,036
Detoxification services	5,737,000	6,162,984	5,253,422
Research information and monitoring	2,904,000	3,840,481	3,252,420
Administration	1,547,000	1,660,371	1,755,925
Accrued vacation pay adjustment		36,000	135,000
	<u>35,415,000</u>	<u>37,468,498</u>	<u>34,957,700</u>
	<u>-</u>	<u>41,101</u>	<u>45,082</u>
Asset write off			919,044
Net operating results	<u>\$ -</u>	<u>\$ 41,101</u>	<u>\$ (873,962)</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2001

	<u>2001</u>	<u>2000</u>
Operating activities:		
Net operating results	\$ 41,101	\$ (873,962)
Add non-cash charges:		
Amortization of capital assets	79,526	41,287
Asset write-off	-	919,044
	<u>120,627</u>	<u>86,369</u>
Decrease (Increase) in non-cash working capital	<u>(177,755)</u>	<u>1,248,578</u>
Cash (used) provided by operating activities	<u>(57,128)</u>	<u>1,334,947</u>
Investing activities:		
Acquisition of capital assets	<u>(31,110)</u>	<u>(27,542)</u>
Net cash (used) provided	(88,238)	1,307,405
Cash at beginning of year	<u>3,396,954</u>	<u>2,089,549</u>
Cash at end of year	<u><u>\$ 3,308,716</u></u>	<u><u>\$ 3,396,954</u></u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2001

Note 1 Authority and Purpose

The Alberta Alcohol and Drug Abuse Commission (Commission) is an agent of the Crown under the authority of the Alcohol and Drug Abuse Act, Chapter A-38, Revised Statutes of Alberta 1980. The Commission is dependent on grants from the Department of Health and Wellness for funding its programs and for meeting its obligations as they become due.

The Commission's purpose is to assist Albertans in achieving a life free from the abuse of alcohol, other drugs and gambling. The Commission does this by providing community-based information, prevention and treatment services.

The Commission is a Government of Alberta agency and is not subject to Canadian taxes.

Note 2 Significant Accounting Policies and Reporting Practices

(a) Revenue Recognition

Operating grants from the Department are recognized as revenue when they are receivable.

Unrestricted donations are recognized as revenue when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value when it can reasonably be determined.

Externally restricted donations are deferred and are recognized as revenue in the period in which the related expenses are incurred.

(b) Expenses

Directly Incurred

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

Directly incurred expenses are included on Schedules 2 and 3, as well as the Statement of Operations

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(b) Expenses (continued)

Incurred by Others

Service contributed by other entities in support of the agency operations are disclosed in Schedule 3.

(c) Inventory

Inventory is valued at the lower of cost and replacement cost.

(d) Capital Assets

Capital assets are recorded at cost net of accumulated amortization. Amortization is provided over the estimated useful lives of the assets as follows:

Furniture and equipment - 10 years straight-line
Computer equipment and software - 3 years straight-line

Change in Amortization:

During the year the Commission changed its amortization for Computer equipment and software from five years straight line to three years straight line. This more fairly represents the life of the assets.

(e) Pensions

The Commission participates in multi-employer pensions plans with related government entities. Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year and additional employer contributions for service relating to prior years.

(f) Valuation of Financial Assets and Liabilities

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

The fair values of accounts receivable, accounts payable, accrued liabilities, deferred contributions and unearned revenues are estimated to approximate their book values.

Note 3 Cash

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (Fund) of the Province of Alberta. The Fund is being managed with the objective of providing competitive interest income to depositors while maintaining maximum security and liquidity of depositors' capital. The portfolio is comprised of high-quality, short-term and mid-term fixed income securities with a maximum term to maturity of five years. Interest is earned on the Commission's daily cash balance at the average rate of the Fund's earnings, which vary depending on prevailing market interest rates. Interest of \$311,822 (2000 - \$262,386) has been credited directly to the Treasury Department.

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

Note 4 Capital Assets

Capital assets consist of the following:

	2001		2000
	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	\$ 221,822	\$ 187,069	\$ 34,753
Furniture and equipment	113,345	63,335	50,010
	<u>\$ 335,167</u>	<u>\$ 250,404</u>	<u>\$ 84,763</u>
			<u>\$ 133,179</u>

Note 5 Deferred Contributions

Deferred contributions consist of unexpended funds from donations to the Memorial Trust. These are externally restricted to be used to supplement the work of the Commission in the areas of research and education and to acquire capital assets. Changes in deferred contributions are as follows:

	2001	2000
Donations	\$58,920	\$148,290
Interest Earned	12,656	8,868
Transferred to Revenue	<u>(58,220)</u>	<u>(64,690)</u>
Increase(decrease) during the year	13,356	92,468
Balance at beginning of year	<u>214,089</u>	<u>121,621</u>
Balance at end of year	<u>\$227,445</u>	<u>\$214,089</u>

Note 6 Pension Costs

The Commission participates in the multi-employer pensions plans, Management Employee Pension Plan and Public Service Pension Plan. The Commission also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$926,524 for the year ended March 31, 2001 (2000 - \$830,221).

At December 31, 2000, the Management Employees Pension Plan financial statements reported a surplus for the plan of \$104,658,000 (1999 - \$46,019,000) and the Public Service Pension Plan reported a surplus of \$635,084,000 (1999 - \$517,020,000). At December 31, 2000, the Supplementary Retirement Plan for Public Service Managers had a surplus for the plan of \$180,000 (1999 - \$33,000).

Note 7 Approvals

(a) Budget

The budget amounts shown on the statement of operations agree with the 2000/2001 Government Estimates. The budget amounts shown on Schedules 1 and 2 provide additional revenue information and present expenditures by object. These budgets were approved on April 13, 2000 by the Members of the Commission.

(b) Financial Statements

These financial statements and accompanying notes were approved on June 15, 2001 by the Members of the Commission.

Note 8 Related Party Transactions

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

For purposes of this schedule, the Related parties are separated into "Entities in the Ministry" which include the Department of Health and Wellness, Persons With Developmental Disabilities Provincial, Community and Facility Boards and "Other Entities".

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

Note 8 Related Party Transactions (continued)

	Entities in the Ministry		Other Entities	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Grants	\$35,146,000	\$ 265,665	\$ -	\$32,731,839
Expenses:				
Other Services	-	\$ 320,000	\$ 153,746	-
Receivable from	-	\$ 153,165	\$ 527	-
(Payable to)	\$ -	\$(263,358)	\$(5,568)	\$ (217,000)

The Commission also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related parties are estimated based on the costs incurred by the service provider to provide the services. These amounts are not recorded in the financial statements and are disclosed on Schedule 3.

	Entities in the Ministry		Other Entities	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Interest	\$ -	\$ -	\$ 311,822	\$ 262,386
Expenses:				
Legal Fees	\$ -	\$ -	\$ 15,020	\$ 7,005
Accommodation	\$ -	\$ -	\$5,196,907	\$5,725,000
	\$ -	\$ -	\$5,211,927	\$5,732,005

Note 9 Federal/Provincial Cost Sharing Agreements

The province of Alberta recovers part of its contributions to the Commission from the Government of Canada under the Employabilities Assistance for People with Disabilities, and the Alcohol and Drug Treatment and Rehabilitation agreements. Claims relating to the Commission's activities for the years ended March 31, 2001 and March 31, 2000 amount to approximately \$9,196,834 and \$9,456,000 respectively.

Note 10 Salaries, Wages, Benefits and Allowances

	2001			2000
	Salaries ^(a)	Benefits and Allowances ^(b)	Total	Total
Current Executives				
Chairman of the Board	\$ 13,636	\$ -	\$ 13,636	\$ 15,158
Board Members ^(c)	25,057	-	25,057	23,663
Chief Executive Officer ^{(d), (e)}	154,164	59,546	213,710	156,318
Executive Director, Program Services	105,159	22,796	127,955	110,001
Director, Provincial Resource Services ^(e)	95,559	23,398	118,957	91,202
Comptroller	97,099	17,642	114,741	92,865
Director, Central Alberta Addictions Services	91,075	16,535	107,610	87,735
Director, Human Resources ^(g)	90,220	16,125	106,345	103,199
Director, Southern Alberta Addictions Services	80,996	16,595	97,591	93,036
Director, Planning & Service Monitoring ^(f)	82,549	15,250	97,799	n/a
Director, Northern Alberta Addictions Services	80,362	16,318	96,680	88,380
Manager, Communications ^(f)	65,145	12,666	77,811	n/a

(a) Salaries include regular pay, overtime, lump sum payments, honoraria and any other direct cash remuneration.

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

(c) There were nine Board members in both years.

(d) An amount has not been included in benefits and allowances for the automobile provided to the Chief Executive Officer.

(e) The benefits and allowances amounts includes vacation payouts of \$11,479 (2000 - \$nil).

(f) Comparative amounts are not presented as the employee was not a member of the Executive Committee in 1999/2000.

(g) The Director of Corporate Services position was replaced with that of Director of Human Resources.

Schedule 1

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION

SCHEDULE OF REVENUES

FOR THE YEAR ENDED MARCH 31, 2001

	<u>2001</u>		<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Internal government transfers:			
Department of Health and Wellness	\$ 33,320,000	\$ 35,146,000	\$ 265,665
Grants from the Lottery Fund			27,875,000
Department of Community Development		-	-
Grants from the Lottery Fund for Problem Gambling		-	3,584,208
Department of Children's Services			1,272,631
	<u>33,320,000</u>	<u>35,146,000</u>	<u>32,997,504</u>
Other revenues:			
Fees:			
Clients	1,586,000	1,455,032	1,254,891
Seminars	114,000	123,665	152,240
	<u>1,700,000</u>	<u>1,578,697</u>	<u>1,407,131</u>
Other:			
Donations	-	36,838	9,164
Publications	80,000	54,862	49,376
Miscellaneous	315,000	693,202	539,607
	<u>395,000</u>	<u>784,902</u>	<u>598,147</u>
Total revenues	<u>\$ 35,415,000</u>	<u>\$ 37,509,599</u>	<u>\$ 35,002,782</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION
SCHEDULE OF EXPENSES BY OBJECT
FOR THE YEAR ENDED MARCH 31, 2001

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Manpower:			
Salaries	\$ 16,759,000	\$ 16,337,948	\$ 14,998,671
Employer Contributions	2,747,000	2,804,515	2,697,367
Wages	1,524,000	1,974,276	1,823,715
Allowances and benefits	113,000	63,605	95,477
	<u>21,143,000</u>	<u>21,180,344</u>	<u>19,615,230</u>
Grants:			
Direct financial assistance to agencies	<u>7,514,000</u>	<u>8,346,993</u>	<u>7,196,914</u>
Other:			
Profession, technical, and labor service	3,912,000	3,940,838	5,136,827
Materials and Supplies	1,108,000	1,999,827	1,247,462
Travel and relocation	735,000	620,972	523,705
Telephones	274,000	268,589	292,598
Voluntary separation payments	-	250,229	248,354
Amortization	56,000	79,526	41,287
Board members' fees	32,000	38,693	38,821
Bad debts	-	32,424	34,652
Hosting	20,000	23,832	24,002
Other operating expenses	621,000	686,231	557,848
	<u>6,758,000</u>	<u>7,941,161</u>	<u>8,145,556</u>
	<u>\$ 35,415,000</u>	<u>\$ 37,468,498</u>	<u>\$ 34,957,700</u>

ALBERTA ALCOHOL AND DRUG ABUSE COMMISSION
SCHEDULE OF ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2001

	2001				2000	
	Expenses ^(a)	Accommodation Costs	Legal Services	Vacation Pay	Total Expenses	Total Expenses
Programs:						
Community services	\$ 16,638,750	\$ 1,922,403	\$ -	\$ 16,380	\$ 18,577,533	\$ 17,736,804
Residential treatment services	9,129,912	2,019,884		8,820	11,158,616	10,622,259
Detoxification services	6,162,984	983,768		5,760	7,152,512	6,994,287
Research information and monitoring	3,840,481	135,426		3,420	3,979,327	3,412,404
Administration	1,660,371	135,426	15,020	1,620	1,812,437	1,923,591
	<u>\$ 37,432,498</u>	<u>\$ 5,196,907</u>	<u>\$ 15,020</u>	<u>\$ 36,000</u>	<u>\$ 42,680,425</u>	<u>\$ 40,689,345</u>

^(a) Expenses – Directly Incurred as per Statement of Operations, excluding Valuation Adjustments.

Persons with Developmental Disabilities Provincial Board

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES

PROVINCIAL BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

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Schedule of Related Party Transactions



AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Provincial Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

**Persons with Developmental Disabilities
Provincial Board
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	<u>Budget</u> (Schedule 2)	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Revenue			
Grant From Department of Health and Wellness	\$ 320,524	\$ 335,723	\$ 291,463
Expenses (Schedule 1 and 4)			
Board Governance	2,161	2,559	1,839
Provincial Reserve	8,435	90	-
Grant to Persons with Developmental Disabilities Northwest Region Community Board	11,821	12,400	10,222
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	15,769	16,238	13,556
Grant to Edmonton Community Board for Persons with Developmental Disabilities	87,474	94,555	80,934
Grant to Persons with Developmental Disabilities Central Alberta Community Board	45,769	50,351	41,455
Grant to Persons with Developmental Disabilities Calgary Region Community Board	74,008	78,825	67,653
Grant to Persons with Developmental Disabilities South Alberta Board	32,833	36,279	30,864
Grant to Michener Centre Facility Board	42,254	43,689	43,081
	<u>320,524</u>	<u>334,986</u>	<u>289,604</u>
Net Operating Results Before Transfer	<u>-</u>	<u>737</u>	<u>1,859</u>
Transfer From/(To)			
Persons with Developmental Disabilities Northwest Region Community Board	-	-	177
Persons with Developmental Disabilities Northeast Alberta Community Board	-	129	644
Edmonton Community Board for Persons with Developmental Disabilities	-	113	(933)
Persons with Developmental Disabilities Central Alberta Community Board	-	141	(517)
Persons with Developmental Disabilities Calgary Region Community Board	-	-	(962)
Persons with Developmental Disabilities South Alberta Board	-	3	690
	<u>-</u>	<u>386</u>	<u>(901)</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 1,123</u>	<u>\$ 958</u>

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

**Persons with Developmental Disabilities
Provincial Board
Statement of Financial Position
As at March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 2,253	\$ -
Accounts Receivable (Note 4)	1	30,695
	<u>\$ 2,254</u>	<u>\$ 30,695</u>
Liabilities		
Bank Overdraft	\$ -	\$ 98
Accounts Payable and Accrued Liabilities	194	29,660
	<u>194</u>	<u>29,758</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	937	(21)
Net Operating Results	1,123	958
Net Assets (Liabilities), End of Year	<u>2,060</u>	<u>937</u>
	<u>\$ 2,254</u>	<u>\$ 30,695</u>

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

**Persons with Developmental Disabilities
Provincial Board
Statement of Changes in Financial Position
For the year ended March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ 1,123	\$ 958
Decrease (Increase) in Accounts Receivable	30,694	(21,200)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(29,466)	20,144
Cash Provided (Used) by Operating Transactions	<u>2,351</u>	<u>(98)</u>
Cash/(Bank Overdraft), Beginning of Year	(98)	-
Cash/(Bank Overdraft), End of Year	<u>\$ 2,253</u>	<u>\$ (98)</u>

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

**Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Provincial Board (the Provincial Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

The purpose of the Provincial Board is to promote the inclusion of adults with developmental disabilities in community life by developing a plan for the delivery of services to adults with developmental disabilities and overseeing and evaluating the implementation of that plan. The Provincial Board coordinates the activities of the Community and Facility Boards.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Provincial Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Provincial Board was transferred to the Ministry of Community Development.

**Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity (continued)

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

The Provincial Board is economically dependent upon the Department of Health and Wellness for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

Directly incurred expenses are those costs the Provincial Board has primary responsibility and accountability for, as reflected in the government's budget documents. Directly incurred expenses are included in the Statement of Operations.

Incurred by Others

Services contributed by other entities in support of the Provincial Board operations are disclosed in schedule 4.

Employees are assigned to the Provincial Board through an arrangement with the Department of Health and Wellness. Certain manpower costs associated with these employees are not reflected in the financial statements. Balances outstanding with respect to the provision for these unrecorded costs as at March 31, 2001 was \$197 (March 31, 2000 - \$112). Total increase in this provision during the 2001 fiscal year was \$85 (2000 fiscal year - \$61).

**Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurring by Others (continued)

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$26 (2000 - \$25).

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Provincial Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In the prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded as an expense in the financial statements of the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively to the Provincial Board. The effect of such a change in responsibility was to increase the fiscal year 2000 revenue, expense, accounts receivable, and accounts payable and accrued liabilities by \$943 (1999 - \$1,420).

**Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 4 Accounts Receivable

	2001			2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable \$	1		\$ 1	\$30,695

The current balance represents a GST receivable from the Federal Government of \$1 (2000 balance includes a receivable from the Department of Health and Wellness of \$27,998 and the Community Boards of \$2,697)

Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

Note 7 Commitments

As at March 31, 2001, the Board has the following commitments:

	2001
Service contracts (a)	\$ 360

^(a) The actual amounts are dependent on the usage of service.

**Persons with Developmental Disabilities
Provincial Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 8 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 9 Approval of Financial Statements

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

**Persons with Developmental Disabilities
Provincial Board
Expense Detailed by Object
For the year ended March 31, 2001
(in thousands)**

Schedule 1

	<u>2001</u>		<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Manpower Costs (a)	\$ 3,976	\$ 947	\$ 677
Supplies and Services	6,620	1,702	1,162
Grants	309,928	332,337	287,765
Total Expenses	<u>\$ 320,524</u>	<u>\$ 334,986</u>	<u>\$ 289,604</u>

- (a) Manpower costs relate to employees assigned to the Provincial Board from the Department of Health and Wellness and are not employees of the Provincial Board.

**Persons with Developmental Disabilities
Provincial Board
Budget
For the year ended March 31, 2001
(in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Department	Provincial Board Reallocation	2000/2001 Current Allocation
Revenue				
Grant from Department of Health and Wellness	\$ 320,524	\$ 15,199	\$ -	\$ 335,723
Expenses				
Board Governance	2,161	431	-	2,592
Provincial Reserve	8,435	-	(7,641)	794
Grant to Persons with Developmental Disabilities Northwest Region Community Board	11,821	574	5	12,400
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	15,769	884	(415)	16,238
Grant to Edmonton Community Board for Persons with Developmental Disabilities	87,474	4,493	2,588	94,555
Grant to Persons with Developmental Disabilities Central Alberta Community Board	45,769	2,907	1,675	50,351
Grant to Persons with Developmental Disabilities Calgary Region Community Board	74,008	3,978	839	78,825
Grant to Persons with Developmental Disabilities South Alberta Board	32,833	1,932	1,514	36,279
Grant to Michener Centre Facility Board	42,254	-	1,435	43,689
	<u>320,524</u>	<u>15,199</u>	<u>-</u>	<u>335,723</u>
Net Operating Results				
	\$ -	\$ -	\$ -	\$ -

The 2000/2001 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Community and Facility Boards. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

An interim budget was approved by the Provincial Board on January 13, 2000.

**Persons with Developmental Disabilities
Provincial Board
Disclosure of Payments to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(d)
Chair of the Board ^(a)	\$ 27	\$ -	\$ 27	\$ 26
Board Members (13 members) ^{(a)(c)}	\$ 43	\$ -	\$ 43	\$ 43
Chief Executive Officer ^(b)	\$ 110	\$ 23	\$ 133	\$ 117

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) These positions were occupied by 19 individuals at various points during the year.

^(d) 2000 expense totals have been restated to reflect achievement bonus paid to the Chief Executive Officer (see Note 3).

**Persons with Developmental Disabilities
Provincial Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001		2000		
	Expenses (1)	Accommodation Costs (2)	Expenses - Incurred by Others Support Service Arrangements (3)	Legal Services (4)	Total Expenses
Board Governance	\$ 2,559	\$ 244	\$ 169	\$ 17	\$ 2,989
Provincial Reserve	90	-	-	-	90
Grant to Persons with Developmental Disabilities Northwest Region Community Board	12,400	-	-	-	12,400
Grant to Persons with Developmental Disabilities Northeast Alberta Community Board	16,238	-	-	-	16,238
Grant to Edmonton Community Board for Persons with Developmental Disabilities	94,555	-	-	-	94,555
Grant to Persons with Developmental Disabilities Central Alberta Community Board	50,351	-	-	-	50,351
Grant to Persons with Developmental Disabilities Calgary Region Community Board	78,825	-	-	-	78,825
Grant to Persons with Developmental Disabilities South Alberta Board	36,279	-	-	-	36,279
Grant to Michener Centre Facility Board	43,689	-	-	-	43,689
	<u>\$ 334,986</u>	<u>\$ 244</u>	<u>\$ 169</u>	<u>\$ 17</u>	<u>\$ 335,416</u>
					<u>\$ 290,006</u>

(1) Expenses - Directly Incurred as per Statement of Operations.
(2) Costs shown for Accommodation on schedule 5.
(3) Costs shown for Support Service Arrangements on schedule 5.
(4) Costs shown for Legal Services on schedule 5.

**Persons with Development Disabilities
Provincial Board
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)**

Schedule 5

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

The Provincial Board and the employees assigned to it from the Department of Health and Wellness 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 Provincial Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Revenues:				
Department of Health and Wellness	\$ 335,723	\$ 291,463	\$ -	\$ -
Persons with Developmental Disabilities				
Northwest Region Community Board	-	177	-	-
Persons with Developmental Disabilities				
Northeast Alberta Community Board	129	644	-	-
Edmonton Community Board for				
Persons with Developmental Disabilities	113	-	-	-
Persons with Developmental Disabilities				
Central Alberta Community Board	141	-	-	-
Persons with Developmental Disabilities				
South Alberta Board	3	690	-	-
	<u>\$ 336,109</u>	<u>\$ 292,974</u>	<u>\$ -</u>	<u>\$ -</u>
Expenses:				
Persons with Developmental Disabilities				
Northwest Region Community Board	\$ 12,400	\$ 10,222	\$ -	\$ -
Persons with Developmental Disabilities				
Northeast Alberta Community Board	16,238	13,556	-	-
Edmonton Community Board for				
Persons with Developmental Disabilities	94,555	81,867	-	-
Persons with Developmental Disabilities				
Central Alberta Community Board	50,351	41,972	-	-
Persons with Developmental Disabilities				
Calgary Region Community Board	78,825	68,615	-	-
Persons with Developmental Disabilities				
South Alberta Board	36,279	30,864	-	-
Michener Centre Facility Board	43,689	43,081	-	-
	<u>\$ 332,337</u>	<u>\$ 290,177</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:				
Department of Health and Wellness	\$ -	\$ 27,998	\$ -	\$ -
Persons with Developmental Disabilities				
Northwest Region Community Board	-	260	-	-
Edmonton Community Board for				
Persons with Developmental Disabilities	-	95	-	-
Persons with Developmental Disabilities				
Central Alberta Community Board	-	437	-	-
Persons with Developmental Disabilities				
Calgary Region Community Board	-	1,766	-	-
Persons with Developmental Disabilities				
South Alberta Board	-	139	-	-
	<u>\$ -</u>	<u>\$ 30,695</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Payable and Accrued Liabilities:				
Department of Health and Wellness	\$ -	\$ 2,711	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	88
Persons with Developmental Disabilities				
Northwest Region Community Board	-	937	-	-
Persons with Developmental Disabilities				
Northeast Alberta Community Board	-	2,161	-	-
Edmonton Community Board for				
Persons with Developmental Disabilities	-	8,884	-	-
Persons with Developmental Disabilities				
Central Alberta Community Board	-	2,951	-	-
Persons with Developmental Disabilities				
Calgary Region Community Board	-	4,549	-	-
Persons with Developmental Disabilities				
South Alberta Board	-	1,384	-	-
Michener Centre Facility Board	-	5,761	-	-
	<u>\$ -</u>	<u>\$ 29,338</u>	<u>\$ -</u>	<u>\$ 88</u>

The Provincial Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Expenses - Incurred by Others:				
Department of Health and Wellness	\$ 169	\$ 175	\$ -	\$ -
Department of Infrastructure	-	-	\$ 244	\$ 217
Department of Justice	-	-	17	10
	<u>\$ 169</u>	<u>\$ 175</u>	<u>\$ 261</u>	<u>\$ 227</u>

**Persons with Developmental
Disabilities Northeast Alberta
Community Board**

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES

NORTHEAST ALBERTA COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Budget

Schedule of Disclosure of Payments to Executives

Schedule of Allocated Costs

Schedule of Related Party Transactions



AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Northeast Alberta Community Board as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northeast Alberta Community Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

During the year the Board made payments for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, expenses related to the care of these individuals do not comply with the Act. Management estimated that the total cost of these services was \$84,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Statement of Operations
 For the year ended March 31, 2001
 (in thousands)**

	2001		2000
	<u>Budget</u> (Schedule 2)	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 15,769	\$ 16,238	\$ 13,556
Previous Year's Refund of Expenditures	-	129	-
	<u>15,769</u>	<u>16,367</u>	<u>13,556</u>
Expenses (Schedule 1 and 4)			
Community Living Supports	8,508	8,070	6,750
Employment Supports	1,186	1,308	1,207
Community Access Supports	2,352	2,703	1,884
Specialized Community Supports	243	345	293
Supports to Delivery System	3,339	3,218	2,725
Board Governance	141	126	103
	<u>15,769</u>	<u>15,770</u>	<u>12,962</u>
Net Operating Results Before Transfer	<u>-</u>	<u>597</u>	<u>594</u>
Transfer From/(To) Persons With Developmental Disabilities Provincial Board	-	(129)	(644)
Net Operating Results	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ (50)</u>

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

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Statement of Financial Position
 As at March 31, 2001
 (in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 2,040	\$ -
Accounts Receivable (Note 4)	1	2,165
Advances	5	1
	<u>\$ 2,046</u>	<u>\$ 2,166</u>
Liabilities		
Bank Overdraft	\$ -	\$ 646
Accounts Payable and Accrued Liabilities	984	926
	<u>984</u>	<u>1,572</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	594	644
Net Operating Results	468	(50)
Net Assets (Liabilities), End of Year	<u>1,062</u>	<u>594</u>
	<u>\$ 2,046</u>	<u>\$ 2,166</u>

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

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Statement of Changes in Financial Position
 For the year ended March 31, 2001
 (in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ 468	\$ (50)
Decrease (Increase) in Accounts Receivable	2,164	(859)
Decrease (Increase) in Advances	(4)	1
Increase (Decrease) in Accounts Payable and Accrued Liab	58	262
Cash Provided (Used) by Operating Transactions	<u>2,686</u>	<u>(646)</u>
Cash/ (Bank Overdraft), Beginning of Year	(646)	-
Cash/ (Bank Overdraft), End of Year	<u>\$ 2,040</u>	<u>\$ (646)</u>

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

**Persons with Developmental Disabilities
Northeast Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Northeast Community Board (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of *the Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

The purpose of the Board is to assist people with developmental disabilities, in the Northeast Region, to live valued and meaningful lives with dignity and self-worth in safe, caring, and supporting communities of their choice.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

**Persons with Developmental Disabilities
Northeast Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Reporting Entity (continued)

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Revenues

All revenues are reported using the accrual method of accounting.

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 was \$107 (March 31, 2000 - \$94). Total increase/(decrease) in this provision during the 2001 fiscal year was \$13 (2000 fiscal year - \$(2)).

**Persons with Developmental Disabilities
Northeast Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurring by Others (continued)

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$20 (2000 - \$20).

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In the prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded as an expense in the financial statements of the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively to the Board. The effect of such a change in responsibility was to increase the fiscal year 2000 revenue, expense, accounts receivable, and accounts payable and accrued liabilities by \$15 (1999 - \$19).

This change has been applied retroactively.

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Notes to the Financial Statements
 For the year ended March 31, 2001
 (in thousands)**

Note 4 Accounts Receivable

	2001			2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 1		\$ 1	\$ 2,165

The current balance represents a GST receivable from the Federal Government of \$1. (2000 balance includes a receivable from the Provincial Board of \$2,161 and the Department of Health and Wellness of \$4.)

Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Notes to the Financial Statements
 For the year ended March 31, 2001
 (in thousands)**

Note 7 Commitments

As at March 31, 2001, the Board has the following commitments:

	<u>2001</u>
Service contracts (a)	\$ 6,836
Long-term leases (b)	<u>5</u>
	<u>\$ 6,841</u>

- (a) The actual amounts are dependent on the usage of service.
- (b) The Board leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2002	\$ 4
2003	<u>1</u>
	<u>\$ 5</u>

Note 8 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals which it serves. Occasionally, the agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits,
- to acquire assets,
- to fund exceptional maintenance costs,
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

**Persons with Developmental Disabilities
Northeast Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 8 Surplus Retention Reserves (continued)

Due to the unavailability of agency financial information, it is not possible to ascertain surplus retention reserves on hand at fiscal year end. The estimated balance of these reserves at March 31, 2001 was \$109 (March 31, 2000 - \$82). This amount is not reflected in these financial statements.

Note 9 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 10 Approval of Financial Statements

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

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Expense Detailed by Object
 For the year ended March 31, 2001
 (in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Manpower Costs (a)	\$ 908	\$ 854	\$ 798
Supplies and Services	6,790	7,653	6,721
Supplies and Services from Support Service Arrangements with Related Parties (b)	-	7	-
Grants	8,071	7,256	5,443
Total Expenses	<u>\$ 15,769</u>	<u>\$ 15,770</u>	<u>\$ 12,962</u>

- (a) Manpower costs relate to employees assigned to the Board from the Department of Health and Wellness and are not employees of the Board.
- (b) The Board receives information technology, communications, financial and human resources from Albe Corporate Service Centre through an arrangement with the Department of Human Resources and Employment.

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Budget
 For the year ended March 31, 2001
 (in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	Community Board Reallocation	2000/2001 Current Allocation
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 15,769	\$ 469	\$ -	\$ 16,238
Expenses				
Community Living Supports	8,508	46	-	8,554
Employment Supports	1,186	88	-	1,274
Community Access Supports	2,352	463	-	2,815
Specialized Community Supports	243	41	-	284
Supports to Delivery System	3,339	(137)	-	3,202
Board Governance	141	(32)	-	109
	15,769	469	-	16,238
Net Operating Results	\$ -	\$ -	\$ -	\$ -

The 2000/2001 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Northeast Alberta Community Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

An interim budget was approved by the Northeast Alberta Community Board on May 6, 2000.

**Persons with Developmental Disabilities
 Northeast Alberta Community Board
 Disclosure of Payments to Executives
 For the year Ended March 31, 2001
 (in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(d)
Chair of the Board ^(a)	\$ 18	\$ -	\$ 18	\$ 12
Board Members (8 members) ^{(a),(c)}	\$ 56	\$ -	\$ 56	\$ 38
Chief Executive Officer ^(b)	\$ 90	\$ 22	\$ 112	\$ 100

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) These positions were occupied by 9 individuals at various intervals during the year.

^(d) 2000 expense totals have been restated to reflect an achievement bonus paid to the Chief Executive Officer (see Note 3).

**Persons with Developmental Disabilities
Northeast Alberta Community Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001			2000	
	Expenses (1)	Accommodation Costs (2)	Expenses - Incurred by Others Support Service Arrangements (3)	Total Expenses	Total Expenses
Community Living Supports	\$ 8,070	-	\$ -	\$ 8,070	\$ 6,750
Employment Supports	1,308	-	-	1,308	1,207
Community Access Supports	2,703	-	-	2,703	1,884
Specialized Community Supports	345	-	-	345	293
Supports to Delivery System	3,218	51	329	3,598	3,161
Board Governance	126	-	-	126	103
	<u>\$ 15,770</u>	<u>\$ 51</u>	<u>\$ 329</u>	<u>\$ 16,150</u>	<u>\$ 13,398</u>

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on schedule 5.

(3) Costs shown for Support Service Arrangements on schedule 5.

**Persons with Development Disabilities
 Northeast Alberta Community Board
 Schedule of Related Party Transactions
 For the year ended March 31, 2001
 (in thousands)**

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 16,238	\$ 13,556	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ 129	\$ 644	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	-
	<u>\$ 129</u>	<u>\$ 644</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 2,161	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	4
	<u>\$ -</u>	<u>\$ 2,161</u>	<u>\$ -</u>	<u>\$ 4</u>

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Expenses - Incurred by Others				
Department of Health and Wellness	\$ 329	\$ 327	\$ -	-
Department of Infrastructure	-	-	51	109
	<u>\$ 329</u>	<u>\$ 327</u>	<u>\$ 51</u>	<u>\$ 109</u>

Persons with Developmental Disabilities Northwest Region Community Board

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES

NORTHWEST REGION COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

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AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Northwest Region Community Board as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Northwest Region Community Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

During the year the Board made payments for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, expenses related to the care of these individuals do not comply with the Act. Management estimated that the total cost of these services was \$65,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	<u>Budget</u> (Schedule 2)	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 11,821	\$ 12,400	\$ 10,222
Previous Year's Refund of Expenditures	-	6	-
	<u>11,821</u>	<u>12,406</u>	<u>10,222</u>
Expenses (Schedule 1 and 4)			
Community Living Supports	5,903	7,070	5,421
Employment Supports	902	1,007	799
Community Access Supports	1,304	1,139	1,157
Specialized Community Supports	807	342	375
Supports to Delivery System	2,763	2,730	2,380
Board Governance	142	104	90
	<u>11,821</u>	<u>12,392</u>	<u>10,222</u>
Net Operating Results Before Transfer	<u>-</u>	<u>14</u>	<u>-</u>
Transfer From/(To) Persons With Developmental Disabilities Provincial Board	-	-	(177)
Net Operating Results	<u>\$ -</u>	<u>\$ 14</u>	<u>\$ (177)</u>

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Statement of Financial Position
As at March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 573	\$ -
Accounts Receivable (Note 4)	93	1,197
Advances	1	2
	<u>\$ 667</u>	<u>\$ 1,199</u>
Liabilities		
Bank Overdraft	\$ -	\$ 444
Accounts Payable and Accrued Liabilities	653	755
	<u>653</u>	<u>1,199</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	-	177
Net Operating Results	14	(177)
Net Assets (Liabilities), End of Year	<u>14</u>	<u>-</u>
	<u>\$ 667</u>	<u>\$ 1,199</u>

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Statement of Changes in Financial Position
For the year ended March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u>
		(As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ 14	\$ (177)
Decrease (Increase) in Accounts Receivable	1,104	(662)
Decrease (Increase) in Advances	1	(1)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(102)	396
Cash Provided (Used) by Operating Transactions	<u>1,017</u>	<u>(444)</u>
Cash/(Bank Overdraft), Beginning of Year	(444)	-
Cash/(Bank Overdraft), End of Year	<u>\$ 573</u>	<u>\$ (444)</u>

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Northwest Region Community Board (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

The vision of the Board is persons with developmental disabilities as leaders and partners in the delivery of dynamic integrated services in a fully involved caring community.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

**Persons with Developmental Disabilities
Northwest Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity (continued)

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 was \$90 (March 31, 2000 - \$74). Total increase/(decrease) in this provision during the 2001 fiscal year was \$16 (2000 fiscal year - \$(1)).

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$19 (1999 - \$20)

**Persons with Developmental Disabilities
Northwest Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In the prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded as an expense in the financial statements of the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively by the Board. The effect of such a change in responsibility was to increase the fiscal year 2000's revenue, expenses, accounts receivable, and accounts payable and accrued liabilities by \$16 (1999 - \$19).

**Persons with Developmental Disabilities
Northwest Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 4 Accounts Receivable

	2001		2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value
Accounts Receivable \$	93		\$ 1,197

The current balance includes miscellaneous receivables from non-related sources. (2000 balance includes a receivable from the Provincial Board of \$937 and the Department of Children’s Services of \$260).

Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

**Persons with Developmental Disabilities
Northwest Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 7 Commitments

As at March 31, 2001, the Board has the following commitments:

	<u>2001</u>
Service contracts (a)	\$ 3,517
Long-term leases (b)	<u>20</u>
	<u>\$ 3,537</u>

(a) The actual amounts are dependent on the usage of service.

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

2002	\$ 12
2003	5
2004	<u>3</u>
	<u>\$ 20</u>

Note 8 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals which it serves. Occasionally, the agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits,
- to acquire assets,
- to fund exceptional maintenance costs,
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

Persons with Developmental Disabilities
Northwest Region Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)

Note 8 Surplus Retention Reserves (continued)

Due to the unavailability of agency financial information, it is not possible to ascertain surplus retention reserves on hand at fiscal year end. The estimated balance of these reserves at March 31, 2001 was \$70 (March 31, 2000 - \$139). This amount is not reflected in these financial statements.

Note 9 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 10 Approval of Financial Statements

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Expense Detailed by Object
For the year ended March 31, 2001
(in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			(As restated - Note 3)
Manpower Costs (a)	\$ 825	\$ 709	\$ 681
Supplies and Services	4,870	5,236	4,407
Grants	6,126	6,447	5,134
Total Expenses	<u>\$ 11,821</u>	<u>\$ 12,392</u>	<u>\$ 10,222</u>

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

**Persons with Developmental Disabilities
Northwest Region Community Board
Budget
For the year ended March 31, 2001
(in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	Community Board Reallocation	2000/2001 Current Allocation
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 11,821	\$ 579	\$ -	\$ 12,400
Expenses				
Community Living Supports	5,903	-	-	5,903
Employment Supports	902	5	-	907
Community Access Supports	1,304	-	-	1,304
Specialized Community Supports	807	-	-	807
Supports to Delivery System	2,763	574	-	3,337
Board Governance	142	-	-	142
	11,821	579	-	12,400
Net Operating Results	\$ -	\$ -	\$ -	\$ -

An interim budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Northwest Alberta Community Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

**Northwest Region Community Board
Disclosure of Payments to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(e)
Chair of the Board ^{(a),(c)}	\$ 17	\$ -	\$ 17	\$ 18
Board Members (8 members) ^{(a),(d)}	\$ 57	\$ -	\$ 57	\$ 41
Chief Executive Officer ^(b)	\$ 79	\$ 14	\$ 93	\$ 90

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) This position was occupied by two individuals during the year. The previous incumbent's term was completed on December 31, 2000.

^(d) These positions were occupied by eight individuals at various intervals during the year. At March 31, 2001 six of the eight positions were occupied.

^(e) 2000 expense totals have been restated to reflect achievement bonus paid to the Chief Executive Officer (see Note 3).

**Persons with Developmental Disabilities
Northwest Region Community Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001		2000	
	Expenses - Incurred by Others			
	Expenses (1)	Accommodation Costs (2)	Support Service Arrangements (3)	Total Expenses
Community Living Supports	\$ 7,070	-	-	\$ 7,070
Employment Supports	1,007	-	-	1,007
Community Access Supports	1,139	24	-	1,163
Specialized Community Supports	342	-	-	342
Supports to Delivery System	2,730	69	251	3,050
Board Governance	104	-	-	104
	\$ 12,392	\$ 93	\$ 251	\$ 12,736
	\$ 12,392	\$ 93	\$ 251	\$ 12,736
				\$ 10,563

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5.

(3) Costs shown for Support Service Arrangements on Schedule 5.

**Persons with Developmental Disabilities
Northwest Region Community Board
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)**

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 12,400	\$ 10,222	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 177	\$ -	\$ -
Department of Infrastructure	-	-	4	1
	\$ -	\$ 177	\$ 4	\$ 1
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 937	\$ -	\$ -
Department of Children's Services	-	-	-	260
	\$ -	\$ 937	\$ -	\$ 260
Accounts Payable and Accrued Liabilities:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 260	\$ -	\$ -

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Expenses - Incurred by Others				
Department of Health and Wellness	\$ 251	\$ 237	\$ -	\$ -
Department of Infrastructure	-	-	93	104
	\$ 251	\$ 237	\$ 93	\$ 104

**Edmonton Community Board
for Persons with
Developmental Disabilities**

Financial Statements

March 31, 2001

EDMONTON COMMUNITY BOARD
FOR PERSONS WITH DEVELOPMENTAL DISABILITIES
FINANCIAL STATEMENTS
MARCH 31, 2001

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AUDITOR'S REPORT

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

I have audited the statement of financial position of the Edmonton Community Board for Persons with Developmental Disabilities as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. 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.

The accrued cost of vacation pay obligations, as disclosed in Note 2, for employees assigned to the Board has not been recorded in the accompanying statement of financial position and the related expense for the annual change in the liability has not been recognized in the statement of operations. The effect of this departure from Canadian generally accepted accounting principles is to understate liabilities by \$1,109,000 and expenses by \$112,000.

Note 10 to the financial statements discloses estimated amounts held by contracted agencies as surplus retention reserves that are subject to Board control and to be used for particular purposes in the future delivery of programs. Such amounts are not included in the financial statements as required by Canadian generally accepted accounting principles. The effect is to understate assets by an estimated \$395,000 and to overstate expenses by an estimated \$221,000.

In my opinion, except for the effect of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Edmonton Community Board for Persons with Developmental Disabilities as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

During the year the Board made payments for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly,

expenses related to the care of these individuals do not comply with the Act.
Management estimated that the total cost of these services was \$1,190,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 17, 2001

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	Budget (Schedule 2)	Actual	Actual (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 87,474	\$ 94,555	\$ 80,934
Previous Year's Refund of Expenditures	-	113	-
	<u>87,474</u>	<u>94,668</u>	<u>80,934</u>
Expenses (Schedule 1 and 4)			
Community Living Supports	56,220	60,102	52,130
Employment Supports	6,754	5,989	4,969
Community Access Supports	9,895	12,114	10,227
Specialized Community Supports	350	668	348
Direct Operations	-	1,148	1,244
Supports to Delivery System	14,176	14,256	11,941
Board Governance	79	106	74
	<u>87,474</u>	<u>94,383</u>	<u>80,933</u>
Net Operating Results Before Transfer	<u>-</u>	<u>285</u>	<u>1</u>
Transfer From/(To) Persons With Developmental Disabilities Provincial Board	-	(113)	932
Net Operating Results	<u>\$ -</u>	<u>\$ 172</u>	<u>\$ 933</u>

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Statement of Financial Position
As at March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 4,595	\$ -
Accounts Receivable (Note 4)	1	8,897
Capital Assets (Note 7)	13	15
	<u>\$ 4,609</u>	<u>\$ 8,912</u>
Liabilities		
Bank Overdraft	\$ -	\$ 4,325
Accounts Payable and Accrued Liabilities	4,437	4,587
	<u>4,437</u>	<u>8,912</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	-	(933)
Net Operating Results	172	933
Net Assets (Liabilities), End of Year	<u>172</u>	<u>-</u>
	<u>\$ 4,609</u>	<u>\$ 8,912</u>

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Statement of Changes in Financial Position
For the year ended March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ 172	\$ 933
Non Cash Items		
Amortization	<u>2</u>	<u>2</u>
	174	935
Decrease (Increase) in Accounts Receivable	8,896	(6,138)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(150)	878
Cash Provided (Used) by Operating Transactions	<u>8,920</u>	<u>(4,325)</u>
Cash/(Bank Overdraft), Beginning of Year	(4,325)	-
Cash/(Bank Overdraft), End of Year	<u>\$ 4,595</u>	<u>\$ (4,325)</u>

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Edmonton Community Board for Persons with Developmental Disabilities (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

Through advocacy and service, the Board helps adults with developmental disabilities to live, as independently as possible, within the community.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

**Edmonton Community Board
For Persons with Developmental Disabilities
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the government's budget documents. Directly incurred expenses are included in the Statement of Operations. Directly incurred expenses include amortization of capital assets.

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 was \$1,109 (March 31, 2000 - \$996). Total increase/(decrease) in this provision during the 2001 fiscal year was \$112 (2000 fiscal year - \$(770)).

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$28 (2000 - \$29).

Assets

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

**Edmonton Community Board
For Persons with Developmental Disabilities
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Assets (continued)

Capital assets of the Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In the prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded as an expense in the financial statements of the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively to the Board. The effect of such a change in responsibility was to increase the fiscal year 2000 revenue, expense, accounts receivable, and accounts payable and accrued liabilities by \$180 (1999 - \$345).

**Edmonton Community Board
For Persons with Developmental Disabilities
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 4 Accounts Receivable

	2001			2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable \$	1		\$ 1	\$ 8,897

The current balance represents a GST receivable from the Federal Government of \$1. (2000 balance includes a receivable from the Provincial Board of \$8,884, the Department of Human Resources and Employment of \$3 and miscellaneous receivable of \$10.)

Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

Note 7 Capital Assets

	Estimated Useful Life	2001			2000
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	10 yrs	\$ 17	\$ 4	\$ 13	\$ 15

**Edmonton Community Board
 For Persons with Developmental Disabilities
 Notes to the Financial Statements
 For the year ended March 31, 2001
 (in thousands)**

Note 8 Commitments

As at March 31, 2001, the Board has the following commitments:

	<u>2001</u>
Service contracts (a)	\$ 3,135
Long-term leases (b)	<u>9</u>
	<u>\$ 3,144</u>

(a) The actual amounts are dependent on the usage of service.

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

2002	\$ 3
2003	3
2004	3
	<u>\$ 9</u>

**Edmonton Community Board
 For Persons with Developmental Disabilities
 Notes to the Financial Statements
 For the year ended March 31, 2001
 (in thousands)**

Note 9 Trust Funds Under Administration

The Board administers trust funds. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Board's financial statements.

As at March 31, 2001 trust funds under administration were as follows:

	<u>2001</u>	<u>2000</u>
Donation to clients	\$ 4	\$ 3
Client Trust Funds	<u>68</u>	<u>58</u>
	<u>\$ 72</u>	<u>\$ 61</u>

Note 10 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals which it serves. Occasionally, the agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits,
- to acquire assets,
- to fund exceptional maintenance costs,
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

Due to the unavailability of agency financial information, it is not possible to ascertain surplus retention reserves on hand at fiscal year end. The estimated balance of these reserves at March 31, 2001 was \$395 (March 31, 2000 - \$174). This amount is not reflected in these financial statements.

**Edmonton Community Board
For Persons with Developmental Disabilities
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 11 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 12 Approval of Financial Statements

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

**Edmonton Community Board
 For Persons with Developmental Disabilities
 Expense Detailed by Object
 For the year ended March 31, 2001
 (in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			(As restated - Note 3)
Manpower Costs (a)	\$ 14,953	\$ 11,352	\$ 11,420
Supplies and Services	27,396	39,618	32,057
Grants	45,123	43,411	37,454
Amortization of Capital Assets	2	2	2
Total Expenses	<u>\$ 87,474</u>	<u>\$ 94,383</u>	<u>\$ 80,933</u>

(a) Manpower costs relate to employees assigned to the Board from the Department of Health and Wellness and are not employees of the Board.

Edmonton Community Board
For Persons with Developmental Disabilities
Budget
For the year ended March 31, 2001
(in thousands)

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	Community Board Reallocation	2000/2001 Current Allocation
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 87,474	\$ 7,081	\$ -	\$ 94,555
Expenses				
Community Living Supports	56,220	4,048	6	60,274
Employment Supports	6,754	86	(851)	5,989
Community Access Supports	9,895	2,390	(171)	12,114
Specialized Community Supports	350	254	64	668
Direct Operations	-	305	843	1,148
Supports to Delivery System	14,176	(2)	82	14,256
Board Governance	79	-	27	106
	87,474	7,081	-	94,555
Net Operating Results	\$ -	\$ -	\$ -	\$ -

The 2000/2001 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Edmonton Community Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

The 2000/2001 Original Budget was approved by the Edmonton Community Board on June 28, 2000.

**Edmonton Community Board
For Persons with Developmental Disabilities
Disclosure of Payments to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(d)
Chair of the Board ^(a)	\$ 23	\$ -	\$ 23	\$ 21
Board Members (8 members) ^{(a),(c)}	\$ 65	\$ -	\$ 65	\$ 54
Chief Executive Officer ^(b)	\$ 101	\$ 5	\$ 106	\$ 97

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) These positions were occupied by 10 individuals at various intervals during the year.

^(d) 2000 expense totals have been restated to reflect achievement bonus paid to the Chief Executive Officer (see Note 3).

**Edmonton Community Board
For Persons with Developmental Disabilities
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001			2000		
	Expenses (1)	Expenses - Incurred by Others		Total Expenses	Total Expenses	Total Expenses
		Accommodation Costs (2)	Support Service Arrangements (3)			
Community Living Supports	\$ 60,102	\$ 557	\$ -	\$ 60,659	\$ 52,266	\$ 52,266
Employment Supports	5,989	-	-	5,989	5,787	5,787
Community Access Supports	12,114	-	-	12,114	10,261	10,261
Specialized Community Supports	668	-	-	668	448	448
Direct Operations	1,148	-	-	1,148	860	860
Supports to Delivery System	14,256	269	1,914	16,439	13,980	13,980
Board Governance	106	-	-	106	74	74
	<u>\$ 94,383</u>	<u>\$ 826</u>	<u>\$ 1,914</u>	<u>\$ 97,123</u>	<u>\$ 83,676</u>	<u>\$ 83,676</u>

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5.

(3) Costs shown for Support Service Arrangements on Schedule 5.

Edmonton Community Board
For Persons with Developmental Disabilities
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 94,555	\$ 81,866	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ 113	\$ -	\$ -	\$ -
Department of Infrastructure	-	-	19	14
	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 14</u>
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 8,884	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	3
	<u>\$ -</u>	<u>\$ 8,884</u>	<u>\$ -</u>	<u>\$ 3</u>
Accounts Payable and Accrued Liabilities:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 95	\$ -	\$ -
CFSA #10 - Ma'mowe Capital Region	-	-	-	13
	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 13</u>

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others				
Department of Health and Wellness	\$ 1,914	\$ 1,973	\$ -	\$ -
Department of Infrastructure	-	-	826	770
	<u>\$ 1,914</u>	<u>\$ 1,973</u>	<u>\$ 826</u>	<u>\$ 770</u>

**Persons with Developmental
Disabilities Central Alberta
Community Board**

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES

CENTRAL ALBERTA COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

Schedule of Budget

Schedule of Disclosure of Payments to Executives

Schedule of Allocated Costs

Schedule of Related Party Transactions



AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Central Alberta Community Board as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Central Alberta Community Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

During the year the Board made payments for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, expenses related to the care of these individuals do not comply with the Act. Management estimated that the total cost of these services was \$280,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 16, 2001

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

**Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	<u>Budget</u> (Schedule 2)	<u>Actual</u>	<u>Actual</u>
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 45,769	\$ 50,351	\$ 41,455
Previous Year's Refund of Expenditures	-	141	-
	<u>45,769</u>	<u>50,492</u>	<u>41,455</u>
Expenses (Schedule 1 and 4)			
Community Living Supports	29,589	32,357	28,381
Employment Supports	2,368	2,702	1,218
Community Access Supports	7,102	7,135	7,002
Specialized Community Supports	394	117	137
Supports to Delivery System	6,211	6,635	4,622
Board Governance	105	119	95
	<u>45,769</u>	<u>49,065</u>	<u>41,455</u>
Net Operating Results Before Transfer	<u>-</u>	<u>1,427</u>	<u>-</u>
Transfer From/(To) Persons With Developmental Disabilities Provincial Board	-	(141)	517
Net Operating Results	<u>\$ -</u>	<u>\$ 1,286</u>	<u>\$ 517</u>

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

**Persons with Developmental Disabilities
Central Alberta Community Board
Statement of Financial Position
As at March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u>
Assets		
Cash	\$ 3,269	\$ -
Accounts Receivable (Note 3)	2	3,403
	<u>\$ 3,271</u>	<u>\$ 3,403</u>
Liabilities		
Bank Overdraft	\$ -	\$ 1,411
Accounts Payable and Accrued Liabilities	1,985	1,992
	<u>1,985</u>	<u>3,403</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	-	(517)
Net Operating Results	1,286	517
Net Assets (Liabilities), End of Year	<u>1,286</u>	<u>-</u>
	<u>\$ 3,271</u>	<u>\$ 3,403</u>

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

**Persons with Developmental Disabilities
 Central Alberta Community Board
 Statement of Changes in Financial Position
 For the year ended March 31, 2001
 (in thousands)**

	<u>2001</u>	<u>2000</u>
Operating Transactions		
Net Operating Results	\$ 1,286	\$ 517
Decrease (Increase) in Accounts Receivable	3,401	(2,509)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(7)	581
Cash Provided (Used) by Operating Transactions	<u>4,680</u>	<u>(1,411)</u>
Cash/(Bank Overdraft), Beginning of Year	(1,411)	-
Cash/(Bank Overdraft), End of Year	<u>\$ 3,269</u>	<u>\$ (1,411)</u>

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

**Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Central Alberta Community Board (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

Alberta Health & Wellness, through the Persons with Developmental Disabilities Central Alberta Community Board provides supports to enable adults with developmental disabilities, with the help of their family & friends, to live, work and participate in their community as valued citizens. This is done through Community Living, Respite, and Community Participation Supports which are provided through contracted services or the Individual Funding Program.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

**Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity (continued)

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 were \$257 (March 31, 2000 - \$193). Total increase in this provision during the 2001 fiscal year was \$64 (2000 fiscal year - \$17).

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$18 (2000 - \$15).

**Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Accounts Receivable

	2001		2000	
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 2		\$ 2	\$ 3,403

The current balance represents a GST receivable from the Federal Government of \$2 (2000 balance includes a receivable from the Provincial Board of \$2,951, the Department of Children's Services of \$450, the Department of Human Resources and Employment of \$2).

Accounts receivable are unsecured and non-interest bearing.

**Persons with Developmental Disabilities
 Central Alberta Community Board
 Notes to the Financial Statements
 For the year ended March 31, 2001
 (in thousands)**

Note 4 Valuation of Financial Assets and Liabilities

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

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

Note 5 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

Note 6 Commitments

As at March 31, 2001, the Board has the following commitments:

	<u>2001</u>
Service contracts (a)	\$ 2,655
Long-term leases (b)	<u>34</u>
	<u><u>\$ 2,689</u></u>

^(a) The actual amounts are dependent on the usage of service.

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

2002	\$ 19
2003	12
2004	<u>3</u>
	<u><u>\$ 34</u></u>

**Persons with Developmental Disabilities
Central Alberta Community Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 7 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals which it serves. Occasionally, the agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits,
- to acquire assets,
- to fund exceptional maintenance costs,
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

Due to the unavailability of agency financial information, it is not possible to ascertain surplus retention reserves on hand at fiscal year end. The estimated balance of these reserves at March 31, 2001 was \$381 (March 31, 2000 - \$327). This amount is not reflected in these financial statements.

Note 8 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 9 Approval of Financial Statements

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

**Persons with Developmental Disabilities
 Central Alberta Community Board
 Expense Detailed by Object
 For the year ended March 31, 2001
 (in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Manpower Costs (a)	\$ 1,682	\$ 1,624	\$ 1,445
Supplies and Services	28,460	33,033	26,042
Grants	15,627	14,408	13,968
Total Expenses	<u>\$ 45,769</u>	<u>\$ 49,065</u>	<u>\$ 41,455</u>

(a) Manpower costs relate to employees assigned to the Board from the Department of Health and Wellness and are not employees of the Board.

**Persons with Developmental Disabilities
Central Alberta Community Board
Budget
For the year ended March 31, 2001
(in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	Community Board Reallocation	2000/2001 Current Allocation
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 45,769	\$ 4,582	\$ -	\$ 50,351
Expenses				
Community Living Supports	29,589	3,082	-	32,671
Employment Supports	2,368	247	-	2,615
Community Access Supports	7,102	740	-	7,842
Specialized Community Supports	394	41	-	435
Supports to Delivery System	6,211	472	-	6,683
Board Governance	105	-	-	105
	45,769	4,582	-	50,351
Net Operating Results	\$ -	\$ -	\$ -	\$ -

The 2000/2001 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Central Alberta Community Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

**Persons with Developmental Disabilities
Central Alberta Community Board
Disclosure of Payments to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(e)
Chair of the Board ^{(a),(c)}	\$ 24	\$ -	\$ 24	\$ 16
Board Members (8 members) ^{(a),(d)}	\$ 59	\$ -	\$ 59	\$ 50
Chief Executive Officer ^(b)	\$ 87	\$ 14	\$ 101	\$ 97

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) This position was occupied by two individuals during the year. The previous incumbent's term was completed on January 15, 2001.

^(d) These positions were occupied by 11 individuals at various intervals during the year.

^(e) 2000 expense totals have been restated to reflect the achievement bonus paid to the Chief Executive Officer (see Note 8).

**Persons with Developmental Disabilities
Central Alberta Community Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001			2000	
	Expenses - Incurred by Others			Total Expenses	Total Expenses
	Expenses (1)	Accommodation Costs (2)	Support Service Arrangements (3)		
Community Living Supports	\$ 32,357	-	\$ -	\$ 32,357	\$ 28,381
Employment Supports	2,702	-	-	2,702	1,218
Community Access Supports	7,135	-	-	7,135	7,002
Specialized Community Supports	117	-	-	117	137
Supports to Delivery System	6,635	133	1,019	7,787	5,732
Board Governance	119	-	-	119	95
	\$ 49,065	\$ 133	\$ 1,019	\$ 50,217	\$ 42,565

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5.

(3) Costs shown for Support Service Arrangements on Schedule 5.

**Persons with Development Disabilities
Central Alberta Community Board
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)**

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 50,351	\$ 41,972	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ 141	\$ -	\$ -	\$ -
Department of Infrastructure	-	-	7	4
	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 4</u>
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 2,951	\$ -	\$ -
Department of Children's Services	-	-	-	450
Department of Human Resources and Employment	-	-	-	2
	<u>\$ -</u>	<u>\$ 2,951</u>	<u>\$ -</u>	<u>\$ 452</u>
Accounts Payable and Accrued Liabilities:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 437	\$ -	\$ -

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2001	2000	2001	2000
Expenses - Incurred by Others				
Department of Health and Wellness	\$ 1,019	\$ 987	\$ -	\$ -
Department of Infrastructure	-	-	133	123
	<u>\$ 1,019</u>	<u>\$ 987</u>	<u>\$ 133</u>	<u>\$ 123</u>

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

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES

CALGARY REGION COMMUNITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

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AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. 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.

The Statement of Operations does not include revenues and expenses in the amount of \$500,000 related to certain services provided by the Board to children. The authority for these transactions is discussed in the final paragraph of this report.

Obligations for vacation pay for employees assigned to the Board by the Department of Health and Wellness have not been recorded as a liability in the accompanying statement of financial position and the related expense for the annual change in the liability has not been recognized in the statement of operations. The effect of this omission is to understate liabilities and expenses by \$951,000 and \$66,000 respectively.

In my opinion, except for the effect of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Calgary Region Community Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

The following transactions are not in compliance with the *Persons with Developmental Disabilities Community Governance Act*:

- During the year, the Board made payments of approximately \$1,100,000 for the provision of services to children and recovered \$500,000 of these costs. Delivery of services to children is contrary to the Act which specifically provides that only adults are to receive benefits from the Board.

- During the year, the Board made payments for the provision of services to individuals whose disabilities did not meet the definition of a developmental disability as defined in the Act. Management estimates that these expenditures would not exceed \$1,040,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

**Persons with Developmental Disabilities
Calgary Region Community Board
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	<u>Budget</u> (Schedule 2)	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 74,008	\$ 78,825	\$ 67,653
Expenses (Schedule 1 and 4)			
Community Living Supports	39,811	42,549	36,691
Employment Supports	9,925	9,725	9,028
Community Access Supports	13,626	13,248	12,436
Specialized Community Supports	1,819	1,384	1,511
Supports to Delivery System	8,745	12,043	7,908
Board Governance	82	118	79
	<u>74,008</u>	<u>79,067</u>	<u>67,653</u>
Net Operating Results Before Transfer	<u>-</u>	<u>(242)</u>	<u>-</u>
Transfer From/(To) Persons With Developmental Disabilities Provincial Board	-	-	962
Net Operating Results	<u>\$ -</u>	<u>\$ (242)</u>	<u>\$ 962</u>

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

**Persons with Developmental Disabilities
 Calgary Region Community Board
 Statement of Financial Position
 As at March 31, 2001
 (in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 2,217	\$ -
Accounts Receivable (Note 4)	1	6,316
	<u>\$ 2,218</u>	<u>\$ 6,316</u>
Liabilities		
Bank Overdraft	\$ -	\$ 2,342
Accounts Payable and Accrued Liabilities	2,460	3,974
	<u>2,460</u>	<u>6,316</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	-	(962)
Net Operating Results	(242)	962
Net Assets (Liabilities), End of Year	<u>(242)</u>	<u>-</u>
	<u>\$ 2,218</u>	<u>\$ 6,316</u>

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

**Persons with Developmental Disabilities
 Calgary Region Community Board
 Statement of Changes in Financial Position
 For the year ended March 31, 2001
 (in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ (242)	\$ 962
Decrease (Increase) in Accounts Receivable	6,315	(5,230)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(1,514)	1,926
Cash Provided (Used) by Operating Transactions	<u>4,559</u>	<u>(2,342)</u>
Bank Overdraft, Beginning of Year	(2,342)	-
Cash/(Bank Overdraft), End of Year	<u>\$ 2,217</u>	<u>\$ (2,342)</u>

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

**Persons with Developmental Disabilities
Calgary Region Community Board
Notes to the Financial Statements
For the Year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Persons with Developmental Disabilities Calgary Region Community Board (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

Through advocacy and service, the Board helps adults with developmental disabilities to live, as independently as possible, within the community.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

**Persons with Developmental Disabilities
Calgary Region Community Board
Notes to the Financial Statements
For the Year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity (continued)

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 were \$951 (March 31, 2000 - \$886). Total increase/(decrease) in this provision during the 2001 fiscal year was \$65 (2000 fiscal year - \$(92)).

Fees relating to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$29 (2000 - \$28).

**Persons with Developmental Disabilities
Calgary Region Community Board
Notes to the Financial Statements
For the Year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded as an expense in the financial statements of the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively to the Board. The effect of such a change in responsibility was to increase fiscal year 2000 revenue, expense, accounts receivable, and accounts payable and accrued liabilities by \$136 (1999 - \$190).

This change has been applied retroactively.

**Persons with Developmental Disabilities
 Calgary Region Community Board
 Notes to the Financial Statements
 For the Year ended March 31, 2001
 (in thousands)**

Note 4 Accounts Receivable

	2001		2000
	Gross Amount	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$1	\$1	\$6,316

(2000 balance includes a receivable from the Provincial Board of \$4,549, the Department of Children’s Services of \$1,766 and the Department of Human Resources and Employment of \$1).

Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

**Persons with Developmental Disabilities
 Calgary Region Community Board
 Notes to the Financial Statements
 For the Year ended March 31, 2001
 (in thousands)**

Note 7 Commitments

As at March 31, 2001, the Board has the following commitments:

	<u>2001</u>
Long-term leases	<u>\$108</u>
	<u><u>\$108</u></u>

The Board leases certain equipment under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2002	\$43
2003	37
2004	<u>28</u>
	<u><u>\$108</u></u>

Note 8 Trust Funds Under Administration

The Board administers trust funds held on behalf of others. The Board has no equity in the funds and therefore, they are not included in the Board's financial statements.

As at March 31, 2001 trust funds under administration were as follows:

	<u>2001</u>	<u>2000</u>
Client Trust Funds	\$85	\$68
	<u>\$85</u>	<u>\$68</u>

**Persons with Developmental Disabilities
Calgary Region Community Board
Notes to the Financial Statements
For the Year ended March 31, 2001
(in thousands)**

Note 9 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals which it serves. Occasionally, the agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits,
- to acquire assets,
- to fund exceptional maintenance costs,
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

The estimated balance of Surplus Agency Retention reserves at March 31, 2001 was \$23 (March 31, 2000 - \$65). This amount is not reflected in these financial statements.

Note 10 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 11 Approval of Financial Statements

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

**Persons with Developmental Disabilities
 Calgary Region Community Board
 Expense Detailed by Object
 For the year ended March 31, 2001
 (in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			(As restated - Note 3)
Manpower Costs (a)	\$ 7,990	\$ 7,814	\$ 7,610
Supplies and Services	29,938	32,338	28,547
Grants	36,080	38,915	31,496
Total Expenses	<u>\$ 74,008</u>	<u>\$ 79,067</u>	<u>\$ 67,653</u>

(a) Manpower costs relate to employees assigned to the Board from the Department of Health and Wellness and are not employees of the Board.

**Persons with Developmental Disabilities
Calgary Region Community Board
Budget
For the year ended March 31, 2001
(in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	2000/2001 Current Allocation
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 74,008	\$ 4,817	\$ 78,825
Expenses			
Community Living Supports	39,811	1,183	40,994
Employment Supports	9,925	1,445	11,370
Community Access Supports	13,626	(752)	12,874
Specialized Community Supports	1,819	260	2,079
Supports to Delivery System	8,745	2,663	11,408
Board Governance	82	18	100
	<u>74,008</u>	<u>4,817</u>	<u>78,825</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The 2000/2001 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Calgary Region Community Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

An interim budget was approved by the Calgary Region Community Board on June 15, 2000.

**Persons with Developmental Disabilities
Calgary Region Community Board
Disclosure of Compensation Paid to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(d)
Chair of the Board ^{(a),(e)}	\$ 14	\$ -	\$ 14	\$ 9
Board Members (8 members) ^{(a),(c)}	\$ 89	\$ -	\$ 89	\$ 63
Chief Executive Officer ^(b)	\$ 79	\$ 25	\$ 104	\$ 92

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) These positions were occupied by 12 individuals at various intervals during the year.

^(d) 2000 expense totals have been restated to reflect achievement bonus paid to the Chief Executive Officer (see Note 3).

^(e) There were 2 chairpersons in PDD Calgary during the 2000 year.

**Persons with Developmental Disabilities
Calgary Region Community Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001			2000	
	Expenses - Incurred by Others			Total	
	Expenses (1)	Accommodation Costs (2)	Support Service Arrangements (3)	Expenses	Expenses
Community Living Supports	\$ 42,549	\$ 1,042	\$ -	\$ 43,591	\$ 37,636
Employment Supports	9,725	-	-	9,725	9,028
Community Access Supports	13,248	-	-	13,248	12,436
Specialized Community Supports	1,384	-	-	1,384	1,511
Supports to Delivery System	12,043	173	1,595	13,811	9,649
Board Governance	118	-	-	118	79
	<u>\$ 79,067</u>	<u>\$ 1,215</u>	<u>\$ 1,595</u>	<u>\$ 81,877</u>	<u>\$ 70,339</u>

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5.

(3) Costs shown for Support Service Arrangements on Schedule 5.

**Persons with Development Disabilities
Calgary Region Community Board
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)**

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 78,825	\$ 68,615	\$ -	\$ -
Expenses:				
Department of Infrastructure	\$ -	\$ -	\$ 1	\$ -
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 4,549	\$ -	\$ -
Department of Children's Services	-	-	-	1,766
Department of Human Resources and Employment	-	-	-	1
	<u>\$ -</u>	<u>\$ 4,549</u>	<u>\$ -</u>	<u>\$ 1,767</u>
Accounts Payable and Accrued Liabilities:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 1,766	\$ -	\$ -
CFSA #4 - Calgary Rocky View Regional Authority	-	-	-	117
	<u>\$ -</u>	<u>\$ 1,766</u>	<u>\$ -</u>	<u>\$ 117</u>

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others				
Department of Health and Wellness	\$ 1,595	\$ 1,596	\$ -	\$ -
Department of Infrastructure	-	-	1,215	1,090
	<u>\$ 1,595</u>	<u>\$ 1,596</u>	<u>\$ 1,215</u>	<u>\$ 1,090</u>

Persons with Developmental Disabilities South Alberta Board

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES

SOUTH ALBERTA BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

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Schedule of Related Party Transactions



AUDITOR'S REPORT

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

I have audited the statement of financial position of the Persons with Developmental Disabilities South Alberta Board as at March 31, 2001 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Board. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities South Alberta Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

During the year, the Board made payments for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, the expenses related to the care of these individuals do not comply with the Act. Management estimated that the total cost of these services did not exceed \$534,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 23, 2001

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

**Persons with Developmental Disabilities
South Alberta Board
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	Budget (Schedule 2)	Actual	Actual (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 32,833	\$ 36,279	\$ 30,864
	<u>32,833</u>	<u>36,279</u>	<u>30,864</u>
Expenses (Schedule 1 and 4)			
Community Living Supports	19,886	20,828	18,901
Employment Supports	1,894	2,331	1,809
Community Access Supports	5,367	7,302	5,089
Specialized Community Supports	316	250	259
Supports to Delivery System	5,265	5,689	4,717
Board Governance	105	87	89
	<u>32,833</u>	<u>36,487</u>	<u>30,864</u>
Net Operating Results Before Transfer	<u>-</u>	<u>(208)</u>	<u>-</u>
Transfer From/(To) Persons With Developmental Disabilities Provincial Board	-	-	(690)
Net Operating Results	<u>\$ -</u>	<u>\$ (208)</u>	<u>\$ (690)</u>

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

**Persons with Developmental Disabilities
South Alberta Board
Statement of Financial Position
As at March 31, 2001
(in thousands)**

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 803	\$ -
Accounts Receivable (Note 4)	40	1,524
	<u>\$ 843</u>	<u>\$ 1,524</u>
Liabilities		
Bank Overdraft	\$ -	\$ 513
Accounts Payable and Accrued Liabilities	1,051	1,011
	<u>1,051</u>	<u>1,524</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	-	690
Net Operating Results	(208)	(690)
Net Assets (Liabilities), End of Year	<u>(208)</u>	<u>-</u>
	<u>\$ 843</u>	<u>\$ 1,524</u>

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

**Persons with Developmental Disabilities
 South Alberta Board
 Statement of Changes in Financial Position
 For the year ended March 31, 2001
 (in thousands)**

	<u>2001</u>	<u>2000</u>
		(As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ (208)	\$ (690)
Decrease in Accounts Receivable	1,484	227
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	40	(50)
Cash Provided (Used) by Operating Transactions	<u>1,316</u>	<u>(513)</u>
Cash/(Bank Overdraft), Beginning of Year	(513)	-
Cash/(Bank Overdraft), End of Year	<u>\$ 803</u>	<u>\$ (513)</u>

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

**Persons with Developmental Disabilities
South Alberta Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 1 Authority and Purpose

The Persons with Developmental Disabilities South Alberta Board (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Community Governance Act* and the *Government Organization Act*.

The purpose of the Board is to promote supports to persons with developmental disabilities.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

**Persons with Developmental Disabilities
South Alberta Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity (continued)

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

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

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 was \$120 (March 31, 2000 - \$105). Total increase in this provision during the 2001 fiscal year was \$15 (2000 fiscal year - \$7).

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$22 (2000 - \$18).

**Persons with Developmental Disabilities
South Alberta Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Assets

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

The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded as an expense in the financial statements of the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively to the Board. The effects of such a change in responsibility was to increase the fiscal year 2000 revenue, expense, accounts receivable, and accounts payable and accrued liabilities by \$19 (1999 - \$19).

**Persons with Developmental Disabilities
South Alberta Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 4 Accounts Receivable

	2001		2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value
Accounts Receivable	\$ 40		\$ 1,524

The current balance includes a receivable from Southeast Alberta Child and Family Services of \$26 and other miscellaneous receivables. (2000 balance includes receivables from the Provincial Board of \$1,384, the Department of Children's Services of \$139, and the Department of Human Resources of \$1). Accounts receivable are unsecured and non-interest bearing.

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

**Persons with Developmental Disabilities
 South Alberta Board
 Notes to the Financial Statements
 For the year ended March 31, 2001
 (in thousands)**

Note 7 Commitments

As at March 31, 2001, the Board has the following commitments:

	<u>2001</u>
Service contracts (a)	\$ 3,344
Long-term leases (b)	<u>9</u>
	<u>\$ 3,353</u>

- (a) The actual amounts are dependent on the usage of service.
- (b) The Board leases certain equipment (vehicles) under operating leases that expire on various dates. The aggregate amounts payable for the unexpired terms of these leases are as follows:

2002	\$ 8
2003	<u>1</u>
	<u>\$ 9</u>

Note 8 Surplus Retention Reserves

The Board has entered into contracts with third party agencies to provide support for individuals it serves. Occasionally, the agencies do not spend all the funds they have been provided. When these unexpended amounts result from the efficient management of the program or fluctuations in service demand, the funds may be retained by the agency and, after obtaining approval from the CEO of the Board, spent in the following manner:

- to eliminate deficits,
- to acquire assets,
- to fund exceptional maintenance costs,
- for expenditures of a one-time nature that will not result in incremental or continuing operating costs.

**Persons with Developmental Disabilities
South Alberta Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 8 Surplus Retention Reserves (continued)

Due to the unavailability of agency financial information, it is not possible to ascertain surplus retention reserves on hand at fiscal year end. The estimated balance of these reserves at March 31, 2001 was \$302 (March 31, 2000 - \$304). This amount is not reflected in these financial statements.

Note 9 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 10 Approval of Financial Statements

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

**Persons with Developmental Disabilities
 South Alberta Board
 Expense Detailed by Object
 For the year ended March 31, 2001
 (in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			(As restated - Note 3)
Manpower Costs (a)	\$ 931	\$ 883	\$ 826
Supplies and Services	14,541	23,303	18,785
Grants	17,361	12,301	11,253
Total Expenses	<u>\$ 32,833</u>	<u>\$ 36,487</u>	<u>\$ 30,864</u>

(a) Manpower costs relate to employees assigned to the Board from the Department of Health and Wellness and are not employees of the Board.

**Persons with Developmental Disabilities
South Alberta Board
Budget
For the year ended March 31, 2001
(in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	2000/2001 Current Allocation
Revenue			
Grant from Persons with Developmental Disabilities Provincial Board	\$ 32,833	\$ 3,446	\$ 36,279
Expenses			
Community Living Supports	19,886	2,088	21,974
Employment Supports	1,894	222	2,116
Community Access Supports	5,367	655	6,022
Specialized Community Supports	316	29	345
Supports to Delivery System	5,265	452	5,717
Board Governance	105	-	105
	<u>32,833</u>	<u>3,446</u>	<u>36,279</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The 2000/2001 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the South Alberta Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

An interim budget was approved by the South Alberta Board on July 12, 2000.

**Persons with Developmental Disabilities
South Alberta Board
Disclosure of Compensation Paid to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(e)
Chair of the Board ^{(a),(c)}	\$ 11	\$ -	\$ 11	\$ 11
Board Members (7 members) ^{(a),(d)}	\$ 39	\$ -	\$ 39	\$ 43
Chief Executive Officer ^(b)	\$ 83	\$ 4	\$ 87	\$ 84

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Health and Wellness.

Contributions include payments for health care, dental and medical coverage, group life insurance, and short term disability plan.

^(c) This position was occupied by two individuals during the year. The previous incumbent's term was completed on January 15, 2001.

^(d) These positions were occupied by 11 individuals at various intervals during the year.

^(e) 2000 expense totals have been restated to reflect an achievement bonus paid to the Chief Executive Officer (see Note 3).

**Persons with Developmental Disabilities
South Alberta Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	2001			2000	
	Expenses (1)	Expenses - Incurred by Others		Total Expenses	Total Expenses
		Accommodation Costs (2)	Support Service Arrangements (3)		
Community Living Supports	\$ 20,828	\$ 65	-	\$ 20,893	\$ 18,956
Employment Supports	2,331	-	-	2,331	1,809
Community Access Supports	7,302	-	-	7,302	5,089
Specialized Community Supports	250	-	-	250	259
Supports to Delivery System	5,689	88	734	6,511	5,571
Board Governance	87	-	-	87	89
	\$ 36,487	\$ 153	\$ 734	\$ 37,374	\$ 31,773

(1) Expenses - Directly Incurred as per Statement of Operations.

(2) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 5.

(3) Costs shown for Support Service Arrangements on Schedule 5.

**Persons with Development Disabilities
South Alberta Board
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)**

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 36,279	\$ 30,864	\$ -	\$ -
Expenses:				
Persons with Developmental Disabilities Provincial Board	\$ 3	\$ 690	\$ -	\$ -
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 1,384	\$ -	\$ -
Department of Children's Services	-	-	-	139
Department of Human Resources and Employment	-	-	-	1
CFSA #2 - Southeast			26	
	<u>\$ -</u>	<u>\$ 1,384</u>	<u>\$ 26</u>	<u>\$ 140</u>
Accounts Payable and Accrued Liabilities:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 139	\$ -	\$ -
CFSA #1 - Sun Country	-	-	-	26
	<u>\$ -</u>	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 26</u>

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others				
Department of Health and Wellness	\$ 734	\$ 756	\$ -	\$ -
Department of Infrastructure	-	-	153	153
	<u>\$ 734</u>	<u>\$ 756</u>	<u>\$ 153</u>	<u>\$ 153</u>

Michener Centre Facility Board

Financial Statements

March 31, 2001

MICHENER CENTRE FACILITY BOARD

FINANCIAL STATEMENTS

MARCH 31, 2001

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Expenses Detailed by Object

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Schedule of Disclosure of Payments to Executives

Schedule of Allocated Costs

Schedule of Related Party Transactions



AUDITOR'S REPORT

To the Members of the Board of Directors of the Michener Centre Facility Board and the Minister of Community Development

I have audited the statement of financial position of the Michener Centre Facility Board as at March 31, 2001 and the statement of operations, and statement of changes in financial position for the year then ended. These financial statements are the responsibility of the Facility Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

The accrued cost of vacation pay obligations, as disclosed in Note 2, for employees assigned to the Board has not been recorded in the accompanying statement of financial position and the related expense for the annual change in the liability has not been recognized in the statement of operations. The result of this departure from Canadian generally accepted accounting principles is to understate liabilities by \$3,639,000 and to understate expenses by \$217,000.

Note 9 to the financial statements discloses \$1,176,000 described as restricted funds and reported in previous years as trust funds. In my view, these are public funds held for the Crown that have been used for program purposes and administered by the Board. Excluding these funds from the Board's financial statements, including relevant revenue and expenses of \$623,000 and \$486,000 respectively, is a departure from Canadian generally accepted accounting principles.

Fee revenues of \$794,000, as disclosed in Note 10, relating to services provided by the Board to residents of the Michener Centre have not been recorded in the statement of operations. The result of this departure from Canadian generally accepted accounting principles is to understate revenues by as much as \$794,000.

In my opinion, except for the effects of the matters discussed in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Michener Facility Board as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

During the year the Facility Board made payments for the provision of services to individuals whose disability did not meet the definition of a developmental disability as defined in the *Persons with Developmental Disabilities Community Governance Act*. Accordingly, expenses related to the care of these individuals do not comply with the Act. Management estimated that the total cost of these services was \$201,000.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
June 21, 2001

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

**Michener Centre Facility Board
Statement of Operations
For the year ended March 31, 2001
(in thousands)**

	2001		2000
	Budget (Schedule 2)	Actual	Actual (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 42,254	\$ 43,689	\$ 43,081
Expenses (Schedules 1 and 4)			
Community Living Supports	20,483	21,527	21,161
Community Access Supports	2,670	2,821	2,779
Specialized Community Supports	1,289	1,658	1,690
Direct Operations	13,470	14,142	13,713
Supports to Delivery System	3,840	3,329	3,295
Board Governance	142	128	94
	<u>41,894</u>	<u>43,605</u>	<u>42,732</u>
Net Operating Results	<u>\$ 360</u>	<u>\$ 84</u>	<u>\$ 349</u>

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

Michener Centre Facility Board
Statement of Financial Position
As at March 31, 2001
(in thousands)

	<u>2001</u>	<u>2000</u> (As restated - Note 3)
Assets		
Cash	\$ 670	\$ -
Accounts Receivable (Note 4)	2	5,765
Inventory	338	565
Capital Assets (Note 7)	314	317
	<u>\$ 1,324</u>	<u>\$ 6,647</u>
Liabilities		
Bank Overdraft	\$ -	\$ 3,612
Accounts Payable and Accrued Liabilities	891	2,686
	<u>891</u>	<u>6,298</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	349	-
Net Operating Results	84	349
Net Assets (Liabilities), End of Year	<u>433</u>	<u>349</u>
	<u>\$ 1,324</u>	<u>\$ 6,647</u>

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

Michener Centre Facility Board
Statement of Changes in Financial Position
For the year ended March 31, 2001
(in thousands)

	<u>2001</u>	<u>2000</u>
		(As restated - Note 3)
Operating Transactions		
Net Operating Results	\$ 84	\$ 349
Non Cash Items		
Amortization	76	74
	<u>76</u>	<u>74</u>
Decrease (Increase) in Accounts Receivable	5,763	(3,946)
Decrease (Increase) in Inventory	227	(565)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(1,795)	824
	<u>4,271</u>	<u>(3,613)</u>
Cash Provided (Used) by Operating Transactions		
Investing Transactions		
Purchase of Capital Assets	(73)	(348)
	<u>(73)</u>	<u>(348)</u>
Net Cash Provided (Used)	4,198	(3,961)
Cash (Bank Overdraft), Beginning of Year	(4)	-
	<u>\$ 237</u>	<u>\$ (3,612)</u>
Cash (Bank Overdraft), End of Year		

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

Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)

Note 1 Authority and Purpose

The Michener Centre Facility Board (the Board) is a corporation established on October 30, 1997 by way of a Ministerial Order. The Board operates under the authority of the *Persons with Developmental Disabilities Governance Act* and the *Government Organization Act*.

The Board provides program, health care services and accommodation in a home environment to adults with developmental disabilities through the operation of facilities located in Red Deer, Alberta and Youngstown, Alberta.

The services provided by the Board are part of an array of services in Alberta available to adults with developmental disabilities. The Board receives funding from the Department of Health and Wellness. Reporting to the Department of Health and Wellness through the Provincial Board, the Board acts in an administrative capacity with respect to the operation and future direction of Michener Centre, which includes Youngstown Home.

With respect to adults with developmental disabilities who receive services from the Board, the role of the Board is to determine priorities in the provision of the services, to develop, in accordance with the regulations and subject to the approval of the Provincial Board, a plan for the delivery of services, to oversee and evaluate the implementation of the plan and to manage funding and resources accordingly.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with the following accounting policies established by government. The Canadian Institute of Chartered Accountants is the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate.

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(a) Reporting Entity

The reporting entity is the Board, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable. The financial statements of the Ministry provide a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Board was transferred to the Ministry of Community Development.

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place on April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

The Board is economically dependent upon the Provincial Board for its funding. This funding is allocated in a manner approved by the Minister.

(b) Basis of Financial Reporting

Expenses

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for, as reflected in the government's budget documents. Directly incurred expenses include amortization of capital assets. Directly incurred expenses are included in the Statement of Operations.

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Expenses (continued)

Incurring by Others

Services contributed by other entities in support of the Board operations are disclosed in schedule 4.

Employees are assigned to the Board through an arrangement with the Department of Health and Wellness. Certain costs associated with these employees are not reflected in the financial statements such as vacation liability. Balances outstanding with respect to the provision for vacation pay as at March 31, 2001 was \$3,639 (March 31, 2000 - \$3,422). Total increase/(decrease) in this provision during the 2001 fiscal year was \$217 (2000 fiscal year - \$(784)).

Fees related to the audit of the March 31, 2001 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$41 (2000 - \$35).

Assets

Financial assets of the Board include cash and financial claims, such as receivables from other organizations or other advances, as well as inventories held for future use.

Inventories are valued at the lower of cost and net realizable value, cost being determined by using the average cost method.

Capital assets of the Board are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100 and the threshold for all other capital assets is \$15. All land is capitalized.

Liabilities

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

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

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

(b) Basis of Financial Reporting (continued)

Net Assets (Liabilities)

Net assets (liabilities) represents the difference between the value of assets held by the Board and its liabilities.

Note 3 Change in Accounting for Bonuses

In prior years, bonuses paid to management, opted-out and bargaining unit employees were recorded in the Department of Health and Wellness. In the current year, the responsibility for these costs was changed retroactively to the Board. The effect of such a change in responsibility was to increase the fiscal year 2000's revenue, expenses, accounts receivable, accounts payable and accrued liabilities by \$552 (1999 - \$822).

Note 4 Accounts Receivable

	2001			2000
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable \$	2	\$ -	\$ 2	\$ 5,765

The current balance represents a GST receivable from the Federal Government of \$2. (2000 balance includes a receivable from the Provincial Board of \$5,761 and the Department of Human Resources and Employment of \$4.)

Accounts receivable are unsecured and non-interest bearing.

Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)

Note 5 Valuation of Financial Assets and Liabilities

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

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

Note 6 Voluntary Contributions

These financial statements do not include amounts relating to voluntary contributions received for materials and services.

Note 7 Capital Assets

		2001			2000	
	<u>Estimated Useful Life</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	
Equipment	10 yrs	\$ 1,314	\$ 1,095	\$ 219	\$ 218	
Automotive Equipmen	3 yrs	665	570	95	99	
		<u>\$ 1,979</u>	<u>\$ 1,665</u>	<u>\$ 314</u>	<u>\$ 317</u>	

**Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)**

Note 8 Commitments

As at March 31, 2001, the Board has the following commitments:

Service contracts (a)	\$	2,513
Long-term leases (b)		<u>348</u>
	\$	<u><u>2,861</u></u>

(a) The actual amounts are dependent on the usage of service.

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

2002	\$	185
2003		111
2004		<u>52</u>
	\$	<u><u>348</u></u>

Note 9 Restricted Funds Under Administration

The Board administers restricted funds that are designated by the Provincial Treasurer as regulated funds.

The funds are used to provide recreational, social, and vocational opportunities and dental services for persons with developmental disabilities.

A legal opinion is being sought to clarify the nature of these funds and whether they should continue to be excluded from the Board's financial statements, or be accounted for as part of ongoing operations. Pending the outcome of the legal opinion, the funds are disclosed in these notes. The accounting presentation of these funds may change in future years.

Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)

Note 9 Restricted Funds Under Administration (continued)

As at March 31, 2001 restricted funds under administration were as follows:

	<u>2001</u>	<u>2000</u>
Assets		
Cash	\$ 960	\$ 832
Accounts Receivable	29	39
Inventory	140	142
Capital Assets	47	20
	<u>\$ 1,176</u>	<u>\$ 1,033</u>
Liabilities		
Deferred Revenue	<u>\$ 21</u>	<u>\$ 15</u>
Net Assets		
Net Assets, Beginning of Year	1018	940
Net income	<u>137</u>	<u>78</u>
Net Assets, End of Year	<u>1155</u>	<u>1018</u>
	<u>\$ 1,176</u>	<u>\$ 1,033</u>

The activity for the funds for the year ended March 31, 2001 was as follows:

	<u>2001</u>	<u>2000</u>
Fund Revenue	\$ 623	\$ 598
Fund Expenses	<u>486</u>	<u>520</u>
	<u>\$ 137</u>	<u>\$ 78</u>

Michener Centre Facility Board
Notes to the Financial Statements
For the year ended March 31, 2001
(in thousands)

Note 10 Fee Revenue

(a) Maintenance Fee Revenue

The Board collects a fee from certain residents on behalf of the Provincial Treasurer as a contribution towards the services provided by the Board. Fees in the amount of \$794 were collected during the year (2000 fiscal year - \$1,031). The fee rates are set by the Provincial Treasurer and the collected fees are remitted to the Provincial Treasurer. The revenue is reported in the financial statements of the Department of Health and Wellness.

(b) Roland Michener Recreation Centre Revenue

The Board collects fees from external users of the Recreation Centre. The fees are remitted to the Provincial Treasurer. Fees in the amount of \$206 were collected during the year (2000 fiscal year - \$201).

Note 11 Trust Funds Under Administration

The Board administers trust funds on behalf of the clients. As at March 31, 2001, the trust funds under administration totaled \$279 (2000 - \$252).

Note 12 Comparative Figures

Certain 2000 figures have been reclassified to conform to the 2001 presentation.

Note 13 Approval of Financial Statements

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

**Michener Centre Facility Board
Expense Detailed by Object
For the year ended March 31, 2001
(in thousands)**

Schedule 1

	2001		2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
			(As restated - Note 3)
Manpower Costs (a)	\$ 33,297	\$ 34,576	\$ 34,434
Supplies and Services	8,597	8,953	8,224
Amortization of Capital Assets	-	76	74
Total Expenses	<u>\$ 41,894</u>	<u>\$ 43,605</u>	<u>\$ 42,732</u>

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

**Michener Centre Facility Board
Budget
For the year ended March 31, 2001
(in thousands)**

Schedule 2

	2000/2001 Original Budget	Increases From Provincial Board	Facility Board Reallocation	2000/2001 Current Allocation
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 42,254	\$ 1,435	\$ -	\$ 43,689
Expenses				
Community Living Supports	20,483	1,435	(321)	21,597
Community Access Supports	2,670	-	106	2,776
Specialized Community Supports	1,289	-	50	1,339
Direct Operations	13,470	-	219	13,689
Supports to Delivery System	3,840	-	146	3,986
Board Governance	142	-	-	142
	41,894	1,435	200	43,529
Net Operating Results	\$ 360	\$ -	\$ (200)	\$ 160
Capital Investments	\$ 360	\$ -	\$ (200)	\$ 160

The 2000/2001 Original Budget was approved as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on February 4, 2000. As a result of changes in operational requirements that emerged during the fiscal year, the Provincial Board provided direction regarding changes in the level of funding to be allocated to the Michener Centre Facility Board. The final result of this direction is presented above as the 2000/2001 Current Allocation, and was approved by the Provincial Board on February 8, 2001.

The 2000/2001 Original Budget was approved by the Michener Centre Facility Board on April 20, 2000.

**Michener Centre Facility Board
Disclosure of Payments to Executives
For the year ended March 31, 2001
(in thousands)**

Schedule 3

	2001			2000
	Payments	Contributions	Total	Total ^(c)
Chair of the Board ^(a)	\$30	\$ -	\$30	\$22
Board Members (7 members) ^(a)	\$56	\$ -	\$56	\$38
Chief Executive Officer ^(b)	\$112	\$20	\$132	\$115

^(a) These amounts represent honoraria payments made to the Chair and Members of the Board.

^(b) These payments are made to the Chief Executive Officer under contract with the Department of Health and Wellness. The Chief Executive Officer is assigned to the Facility Board under an arrangement with the Department of Health and Wellness.

Payments include salary, achievement bonus, retroactive pay and vacation payout.

Contributions include payments for pension, health care, dental and medical coverage, group life insurance, long and short term disability plans.

^(c) 2000 expense totals have been restated to reflect achievement bonus paid to the Chief Executive Officer (see Note 3).

**Michener Centre Facility Board
Allocated Costs
For the year ended March 31, 2001
(in thousands)**

Schedule 4

	<u>2001</u>			<u>2000</u>	
	<u>Expenses (1)</u>	<u>Expenses Incurred by Others</u>		<u>Total Expenses</u>	
		<u>Accommodation</u>			<u>Total Expenses</u>
		<u>Costs (2)</u>			
Community Living Supports	\$ 21,527	\$ 2,798	\$ 24,325	\$ 23,632	
Community Access Supports	2,821	545	3,366	3,260	
Specialized Community Supports	1,658	151	1,809	1,823	
Direct Operations	14,142	1,230	15,372	14,800	
Supports to Delivery System	3,329	257	3,586	3,522	
Board Governance	128		128	94	
	<u>\$ 43,605</u>	<u>\$ 4,981</u>	<u>\$ 48,586</u>	<u>\$ 47,131</u>	

⁽¹⁾ Expenses - Directly Incurred as per Statement of Operations.

⁽²⁾ Costs shown for Accommodation (includes grants in lieu of taxes) on schedule 5.

Michener Centre Facility Board
Schedule of Related Party Transactions
For the year ended March 31, 2001
(in thousands)

Schedule 5

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

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

The Board had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Persons with Developmental Disabilities Provincial Board	\$ 43,689	\$ 43,081	\$ -	\$ -
Expenses:				
Department of Infrastructure	\$ -	\$ -	\$ 9	\$ 2
Accounts Receivable:				
Persons with Developmental Disabilities Provincial Board	\$ -	\$ 5,761	\$ -	\$ -
Department of Human Resources and Employment	-	-	-	4
	<u>\$ -</u>	<u>\$ 5,761</u>	<u>\$ -</u>	<u>\$ 4</u>

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 4,981	\$ 4,399
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,981</u>	<u>\$ 4,399</u>

Persons with Developmental Disabilities Foundation

Financial Statements

March 31, 2001

PERSONS WITH DEVELOPMENTAL DISABILITIES FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2001

Auditor's Report

Statement of Operations and Changes in Fund Balances

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule of Disclosure of Payments to Board and Executives

Schedule of Related Party Transactions



AUDITOR'S REPORT

To the Board of Trustees of the Persons with Developmental Disabilities Foundation
and the Minister of Community Development

I have audited the statement of financial position of the Persons with Developmental Disabilities Foundation as at March 31, 2001 and the statements of operations and changes in fund balances, and changes in financial position for the year then ended. These financial statements are the responsibility of the management of the Foundation. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Persons with Developmental Disabilities Foundation as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original signed by Peter Valentine] FCA
Auditor General

Edmonton, Alberta
May 17, 2001

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

**Persons with Developmental Disabilities Foundation
Statement of Operations and Changes in Fund Balances
For the year ended March 31, 2001**

	2001			2000 (Restated - Note 9)		
	<u>Endowment Fund</u>	<u>General Fund</u>	<u>Total</u>	<u>Endowment Fund</u>	<u>General Fund</u>	<u>Total</u>
Revenues:						
Government grants	-	357,000	357,000	-	270,000	270,000
Investment income (note 9)	-	178,645	178,645	-	34,285	34,285
Contributed services (note 8 & 9)	-	53,429	53,429	-	60,332	60,332
Other/donations	-	-	-	2,490	-	2,490
	-	589,074	589,074	2,490	364,617	367,107
Expenses:						
Foundation administration	-	63,766	63,766	-	63,641	63,641
Contracted services	-	43,001	43,001	-	33,174	33,174
Contributed services (note 8 & 9)	-	53,429	53,429	-	60,332	60,332
Grant expense	-	249,930	249,930	-	-	-
Investment management fee	-	11,465	11,465	-	13,378	13,378
Foundation salaries & severance	-	151,194	151,194	-	200,573	200,573
	-	572,785	572,785	-	371,098	371,098
Net operating results	-	16,289	16,289	2,490	(6,481)	(3,991)
Fund balances, beginning of period	2,502,490	271,210	2,773,700	2,500,000	277,691	2,777,691
Fund balances, end of year	2,502,490	287,499	2,789,989	2,502,490	271,210	2,773,700

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

Persons with Developmental Disabilities Foundation
Statement of Financial Position
As at March 31, 2001

	2001			2000 (Restated - Note 9)		
	Endowment Fund	General Fund	Total	Endowment Fund	General Fund	Total
Assets:						
Current assets:						
Cash and short term investments (note 7)	-	228,593	228,593	-	242,776	242,776
Accounts receivable	-	1,141	1,141	-	10,130	10,130
Prepaid investment fee	-	3,201	3,201	-	3,201	3,201
	-	232,935	232,935	-	256,107	256,107
Non-current assets:						
Investments (note 7 & 9)	2,502,490	55,614	2,558,104	2,502,490	30,913	2,533,403
	2,502,490	288,549	2,791,039	2,502,490	287,020	2,789,510
Liabilities:						
Accounts payable and accrued liabilities	-	1,050	1,050	-	15,810	15,810
Fund balances:						
Restricted	2,502,490	-	2,502,490	2,502,490	-	2,502,490
Unrestricted	-	287,499	287,499	-	271,210	271,210
	2,502,490	287,499	2,789,989	2,502,490	271,210	2,773,700
	2,502,490	288,549	2,791,039	2,502,490	287,020	2,789,510

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

**Persons with Developmental Disabilities Foundation
Statement of Changes in Financial Position
For the year ended March 31, 2001**

	2001	2000 (Restated - Note 9)
Operating Activities:		
Net operating results - General Fund	16,289	(6,481)
Increase/(decrease) in non-cash working capital	<u>(5,771)</u>	<u>(3,697)</u>
	<u>10,518</u>	<u>(10,178)</u>
Financing Activities		
Endowment contributions	<u>-</u>	<u>2,490</u>
	<u>-</u>	<u>2,490</u>
Investing Activities		
(Increase)/decrease in endowment fund receivable	-	2,500,000
Investment purchases	(303,971)	(2,533,403)
Proceeds on sale of investments	279,270	250,000
	<u>(24,701)</u>	<u>216,597</u>
Net increase in cash and short term investments	(14,183)	208,909
Cash and short term investments, beginning of year	<u>242,776</u>	<u>33,867</u>
Cash and short term investments, end of year	<u><u>228,593</u></u>	<u><u>242,776</u></u>

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

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the year ended March 31, 2001

Note 1 Authority

The Persons with Developmental Disabilities Foundation (the Foundation) is a non-taxable crown corporation that operates under the authority of the Persons with Developmental Disabilities Foundation Act and the Government Organization Act.

Note 2 Purpose

The purpose of the Foundation is to undertake, support and promote activities that will enhance the quality of life of persons with developmental disabilities in Alberta. In carrying out its purposes, the Foundation may, subject to the regulations, solicit and raise funds for capital projects, pilot projects or research.

Note 3 Summary of significant accounting policies and reporting practices

(a) Reporting Entity

The reporting entity is the Foundation, which is part of the Ministry of Health and Wellness and for which the Minister of Health and Wellness is accountable.

On March 15, 2001 the government announced new ministry structures. As a result, effective March 19, 2001 the Foundation was transferred to the Ministry of Community Development.

Since the 2000/2001 fiscal year was substantially completed prior to this announcement, these notes to the financial statements have been prepared as if the restructuring took place April 1, 2001 to provide proper accountability for the 2000/2001 fiscal year against the original business plan. While it has not affected any figures presented, references to the Ministry of Health and Wellness would be changed to the Ministry of Community Development if the restructuring had been represented within these statements.

(b) Valuation of Financial Assets and Liabilities

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

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

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the year ended March 31, 2001

Note 3 Summary of Significant Accounting Policies and Reporting Practices
(continued)

(c) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Endowment Fund report resources contributed for endowment.

(d) Revenue Recognition

Contributions related to general operations are recognized as revenue of the General Fund in the year they are received. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income earned on resources of the Endowment Funds are reported in the General Fund.

Contributions for endowment are recognized as revenue in the Endowment Fund when received.

Assets

Financial assets of the Foundation are comprised of financial claims, such as receivables from other organizations. The carrying value of these assets approximate fair value. See note 7 regarding investments.

Liabilities

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

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the year ended March 31, 2001

Note 4 Restricted Funds

Contributions to the endowment fund have been externally restricted to establish operating and capital endowment funds, the income from which is unrestricted. The Capital fund will be established to fund grants according to the Foundation's purpose. The Operating fund will be established to fund the Foundation's operations. These funds have not yet been established due to the uncertainty surrounding the future of the Foundation.

Note 5 Subsequent Event

These financial statements have been prepared on a going concern basis, which contemplates the future operations of the Foundation.

The Foundation's ability to continue as a going concern is dependent upon the action taken on the recommendations regarding the Foundation to the Minister of Health and Wellness in the Building Better Bridges report released in January 2000. This report recommended that the Foundation be wound down. As of May 17, 2001, nothing further has been communicated to the Foundation regarding this recommendation.

Subsequent to the preparation of financial statements on June 20, 2001, the Foundation was informed of government decisions to dissolve the Foundation.

Note 6 Related Party Transactions

The Foundation received \$357,000 in operating funds for 2000/2001 from the Department of Health and Wellness.

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the year ended March 31, 2001

Note 7 Cash and Investments

	2001		2000	
	Cost	Market	Cost	Market
Cash	\$ 228,593	\$ 228,593	\$ 242,164	\$ 242,164
Mutual Funds:				
Money market fund	-	-	612	612
Pooled Bond fund	2,558,104	2,601,104	2,533,403	2,533,403
Total cash and investments	\$ 2,786,697	\$ 2,829,697	\$ 2,776,179	\$ 2,776,179
Held as non-current	2,558,104	2,601,104	2,533,403	2,533,403
Held as current assets	\$ 228,593	\$ 228,593	\$ 242,776	\$ 242,776

The General Fund paid for investment manager's fees of \$11,465.

Note 8 Contributed Supplies and Services

The Foundation received accommodation and other services from the Government of Alberta at no cost but had an estimated value of \$53,429.

Volunteers contribute approximately 500 hours per year to assist the Foundation in carrying out its activities. Because of the difficulty determining their fair value, their contributed services are not recognized in the financial statements.

Note 9 Correction to Prior Year Financial Statements

The expense for contributed equipment used during 1999/2000 was overstated by \$19,848 and corresponding contributed service revenue was overstated by an equal amount. The net effect on income is zero.

Investment assets and income were overstated in 1999/2000 by \$442,507. Corrections and restated amounts are as follows:

Persons with Developmental Disabilities Foundation
Notes to the Financial Statements
For the year ended March 31, 2001

Note 9 Correction to Prior Year Financial Statements (continued)

	<u>Previously reported</u>	<u>Correction</u>	<u>Restated</u>
Non-current investment	\$2,975,910	(\$442,507)	\$2,533,403
Investment income	\$476,792	(\$442,507)	\$34,285
Fund balances	\$3,216,207	(\$442,507)	\$2,773,700

Note 10 Budget

The Board of Trustees approved the following 2000-2001 budget on December 19, 2000:

	(000's)
Revenue	<u>\$357</u>
Supplies and Services	184
Salaries and Benefits	297
Total expense	<u>481</u>
Excess (deficiency) of revenue over expense	<u><u>\$(124)</u></u>

The approved budget did not include:

- expected investment revenue (actual \$178,645) and expenses (actual \$11,465)
- the value of contributed services (actual \$53,429)
- expected grant payments (actual \$249,930).

Note 11 Comparative Figures

Certain 2000 comparative figures have been reclassified to conform to 2001 presentation.

Note 12 Approval of Financial Statements

These financial statements were approved by the Board of Trustees of the Foundation.

**Persons with Developmental Disabilities Foundation
Disclosure of Payments to Board and Executives
For the year ended March 31, 2001**

Schedule 1

	2001			2000
	Honoraria and salaries ⁽¹⁾	Benefits ⁽²⁾	Total	Total
Chair	\$ 3,751	\$ 80	\$ 3,831	\$ 3,755
Board of trustees	13,713	-	13,713	7,670
	<u>17,464</u>	<u>80</u>	<u>17,544</u>	<u>11,425</u>
Chief Executive officer ⁽³⁾	74,393	16,046	90,439	92,483
Director of Grants, Finance and Administration ⁽³⁾	36,330	7,576	43,906	51,723
Director of Fund Development ⁽⁴⁾	12,603	4,246	16,849	31,898
	<u>123,326</u>	<u>27,868</u>	<u>151,194</u>	<u>176,104</u>
	<u>140,790</u>	<u>27,948</u>	<u>168,738</u>	<u>\$ 187,529</u>

⁽¹⁾ Salaries include severance payments (\$118,336) to terminated staff as well as honoraria payments to board members, including seven Trustees and one Chair.

⁽²⁾ Benefits include the Foundation's share of all employee benefits and contributions or payments made on behalf of employees including vacation pay-outs, pension, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans and professional memberships.

⁽³⁾ These positions were terminated as at May 23, 2000.

⁽⁴⁾ This position was terminated April 21, 2000.

Persons with Development Disabilities Foundation
Schedule of Related Party Transactions
For the year ended March 31, 2001

Schedule 2

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

The Foundation 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 Foundation had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties:

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenues:				
Department of Health and Wellness	\$ 357,500	\$ 270,000	\$ -	\$ -

The Foundation also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service.

	<u>Entities in the Ministry</u>		<u>Other Entities</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Expenses - Incurred by Others				
Department of Infrastructure	\$ -	\$ -	\$ 53,429	\$ 60,332

Health Authority Highlights

This section highlights the financial results of the 17 regional health authorities, the Alberta Mental Health Board and the Alberta Cancer Board (the “health authorities.”)

This section was compiled from the health authorities’ audited financial statements for the fiscal year ended March 31, 2001. The statements were prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP) and Alberta Health and Wellness’ Financial Directive 18. This section is unaudited.

Operating Results

- For the fiscal year 2000/2001, the health authorities in aggregate reported an operating surplus of \$40 million. This compares to the budgeted surplus of \$17 million and the 1999/2000 surplus of \$193 million. Seventeen of the 19 health authorities reported a 2000/2001 operating surplus; the remaining two had a combined operating deficit of only \$640,000.
- The aggregate operating surplus for 2000/2001 represents approximately 1 per cent of total revenue, compared to 3 per cent in the prior year (after adjusting for \$60 million in one-time 1999/2000 funding for elimination of accumulated deficits).
- In 2000/2001, the health authorities had aggregate revenue of \$4.3 billion compared to \$4.0 billion in the prior year, an increase of 8 per cent. The majority of the increase (\$253 million) came from Alberta Health and Wellness contributions. Alberta Health and Wellness provided 84.4 per cent of total revenue, compared to 84.8 per cent in the prior year. Of remaining revenue, fees and charges represented the largest share at 6.5 per cent.
- Total 2000/2001 expense was \$4.3 billion, compared to \$3.8 billion in the prior year – an increase of 12.4 per cent. The majority of the increase was in salary expense.

Financial Position

- The health authorities in aggregate reported total net assets of \$475 million at March 31, 2001, an increase of \$40 million from the prior year. Of the total, \$222 million or 47 per cent was unrestricted or internally restricted by the health authority board. The remainder represents the amount invested in capital assets.
- Unrestricted or internally restricted net assets at March 31, 2001 represents 5 per cent of 2000/2001 revenue and is available to be spent on health service delivery or for capital expenditures.
- None of the 19 health authorities had accumulated deficits at March 31, 2001.

- Working capital for all health authorities at March 31, 2001 was \$116 million (current assets to current liabilities ratio of 1.20) compared to \$121 million in the prior year (ratio of 1.24). The health authorities had cash available for operating needs amounting to \$483 million, up \$49 million from the prior year. However, accounts payable and accrued vacation pay increased by \$63 million from the prior year.
- Total long-term debt for all health authorities at March 31, 2001 was \$17 million, down from \$24 million at March 31, 2000.
- Due to a change in accounting policy, health authorities no longer report their portion of the Local Authority Pension Plan unfunded deficit on their balance sheets. The Plan reported a total actuarial surplus (including health authorities' share) at December 31, 2000 of \$883 million.

Capital Assets

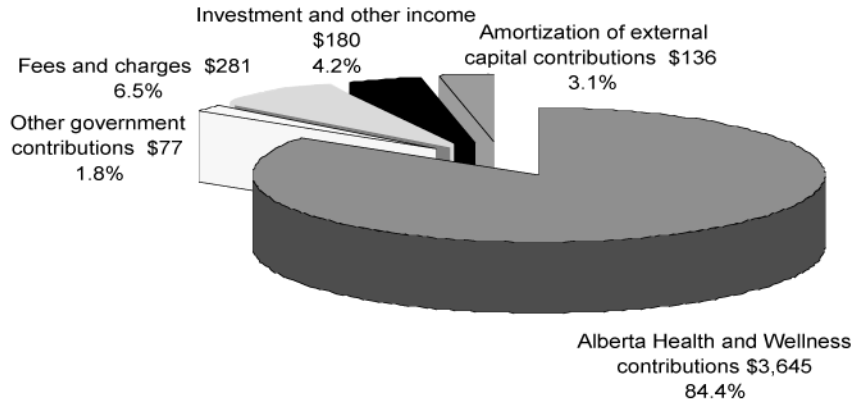
- The health authorities held a combined investment of \$2.5 billion in capital assets. Of this total, \$253 million or 10 per cent was funded from operating surpluses generated annually. The remainder was funded primarily from capital grants provided by Alberta Infrastructure, Alberta Lotteries and health foundations.
- In 2000/2001 the health authorities spent \$247 million to acquire capital assets. Of this amount, \$170 million was provided by external contributors, while \$77 million was funded from operating surpluses.
- Of total 2000/2001 capital expenditures, \$145 million was spent on new equipment and \$102 million on infrastructure.
- The average remaining useful life of health authorities' capital equipment at March 31, 2001 was 4.6 years (5.2 years prior year).

Additional Information

Copies of the health authorities' audited financial statements are included in Section II of the Ministry Annual Report.

**HEALTH AUTHORITIES
2000/2001 ACTUAL REVENUE
(\$ millions)**

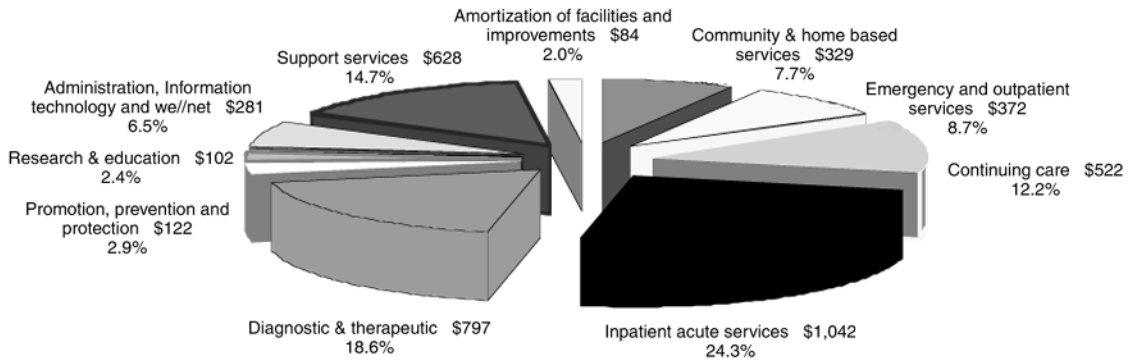
Chart I



TOTAL \$4,319

**HEALTH AUTHORITIES
2000/2001 ACTUAL EXPENSES
(\$ millions)**

Chart II



TOTAL \$4,279

TABLE I

HEALTH AUTHORITY SUMMARY
 ANALYSIS OF OPERATIONS
 FOR THE FISCAL YEAR 2000/2001 ENDED MARCH 31, 2001
 (Thousands of dollars)

	2000/01 BUDGET	2000/01 ACTUAL	% OF TOTAL	CHANGES FROM 1999/00 \$	%	1999/00 ACTUAL	% OF TOTAL
REVENUE							
Alberta Health and Wellness contributions	3,623,623	3,645,462	84.4%	252,921	7.5%	3,392,541	84.8%
Other government contributions	59,062	76,544	1.8%	24,187	46.2%	52,357	1.3%
Fees and charges	272,312	281,119	6.5%	4,321	1.6%	276,798	6.9%
Ancillary operations, net	15,315	14,573	0.3%	(1,328)	(8.4%)	15,901	0.4%
Donations	9,718	10,789	0.2%	233	2.2%	10,556	0.3%
Investment and other income	116,924	154,951	3.7%	28,816	22.8%	126,135	3.2%
Amortization of external capital contributions	146,935	135,895	3.1%	10,096	8.0%	125,799	3.1%
TOTAL REVENUE	4,243,889	4,319,333	100.0%	319,246	8.0%	4,000,087	100.0%
EXPENSE							
Facility-based inpatient acute services	1,031,226	1,041,766	24.3%	123,031	13.4%	918,735	24.1%
Facility-based emergency and outpatient services	365,003	372,270	8.7%	58,713	18.7%	313,557	8.2%
Facility-based continuing care services	503,733	521,831	12.2%	31,528	6.4%	490,303	12.9%
Community & home based services	349,111	328,855	7.7%	64,879	24.6%	263,976	6.9%
Diagnostic & therapeutic services	795,356	797,462	18.6%	88,653	12.5%	708,809	18.6%
Promotion, prevention and protection services	120,893	122,245	2.9%	13,184	12.1%	109,061	2.9%
Research & education	101,695	101,901	2.4%	7,647	8.1%	94,254	2.5%
Administration	180,030	176,763	4.1%	17,999	11.3%	158,764	4.2%
Information technology and w/e/net	82,265	104,143	2.4%	20,535	24.6%	83,608	2.2%
Y2K Remedial costs	790	842	0.0%	(19,719)	(95.9%)	20,561	0.5%
Support services	609,303	627,668	14.7%	65,105	11.6%	562,563	14.8%
Amortization of facilities and improvements	87,436	83,725	2.0%	773	0.9%	82,952	2.2%
Capital assets write-down	-	-	0.0%	(278)	(100.0%)	278	0.0%
TOTAL EXPENSE	4,226,841	4,279,471	100.0%	472,050	12.4%	3,807,421	100.0%
Excess (deficiency) of revenue over expense	17,048	39,862		(152,804)		192,666	

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 2000/2001 ENDED MARCH 31, 2001
(Thousands of dollars)

	CHINOOK			PALLISER			HEADWATERS			CALGARY		
	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	167,497	168,108	152,248	91,926	91,926	84,492	52,850	52,852	49,806	1,067,559	1,073,684	1,030,183
Other government contributions	2,282	2,214	2,222	2,241	2,909	2,135	1,753	2,664	1,606	16,093	16,965	13,302
Fees and charges	12,460	12,842	12,660	10,340	10,144	10,419	6,943	6,981	6,886	87,696	89,415	88,474
Ancillary operations, net	475	571	498	203	221	274	120	111	129	9,495	9,299	10,303
Donations	151	280	313	300	264	319	238	440	297	5,273	4,833	5,755
Investment and other income	3,216	5,402	3,241	2,086	2,450	2,091	1,195	1,740	1,569	26,374	37,379	31,392
Amortization of external capital contributions	8,696	8,305	7,427	3,725	3,965	3,745	2,184	2,284	2,103	44,710	34,331	32,216
TOTAL REVENUE	194,777	197,722	178,609	110,821	111,879	103,475	65,283	67,072	62,396	1,257,200	1,265,926	1,211,625
EXPENSE												
Facility-based inpatient acute services	46,821	47,327	43,599	26,523	26,565	24,162	10,425	11,151	9,779	332,248	335,159	296,990
Facility-based emergency and outpatient services	10,410	10,796	9,406	4,475	4,797	4,124	2,989	3,297	2,835	149,603	149,386	124,726
Facility-based continuing care services	26,645	27,599	25,240	17,315	16,759	16,141	9,936	10,011	9,353	143,143	146,790	140,486
Community & home based services	12,517	11,937	9,426	8,176	6,819	5,362	5,495	4,752	3,952	87,822	80,307	61,270
Diagnostic & therapeutic services	35,233	35,184	32,038	19,503	19,283	17,393	10,655	11,004	10,105	265,844	257,733	232,386
Promotion, prevention and protection services	6,771	7,178	5,838	2,896	2,933	2,691	2,843	2,917	2,696	25,864	27,185	23,162
Research & education	-	-	-	-	-	-	-	-	-	15,941	16,708	15,543
Administration	8,537	8,931	8,015	4,938	5,065	4,696	4,504	4,129	3,676	55,416	51,868	44,519
Information technology and we/net	4,246	3,344	3,144	1,310	2,886	1,263	1,370	1,921	919	31,916	35,621	35,186
Y2K remedial costs	20	20	637	-	-	658	-	-	168	-	-	-
Support services	32,183	33,873	31,772	21,014	22,573	20,130	15,523	16,155	14,343	143,726	145,643	135,309
Amortization of facilities and improvements	7,081	6,718	5,912	3,241	3,203	3,171	1,929	1,998	1,961	20,820	18,168	18,617
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	190,464	192,907	175,027	109,391	110,883	99,791	65,669	67,335	59,787	1,272,343	1,264,568	1,128,194
Excess (deficiency) of revenue over expense	4,313	4,815	3,582	1,430	996	3,684	(386)	(263)	2,609	(15,143)	1,358	83,431

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 2000/2001 ENDED MARCH 31, 2001
(Thousands of dollars)

	REGIONAL HEALTH AUTHORITY 5			DAVID THOMPSON			EAST CENTRAL			WESTVIEW		
	2000/01	2000/01	1999/00	2000/01	2000/01	1999/00	2000/01	2000/01	1999/00	2000/01	2000/01	1999/00
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	45,235	44,755	41,770	175,842	177,558	159,452	118,701	118,364	110,958	46,445	46,496	50,098
Other government contributions	299	514	294	2,543	3,039	1,459	5,268	4,230	4,883	1,654	2,030	1,032
Fees and charges	4,475	4,382	4,469	12,069	12,708	12,115	11,292	11,271	11,220	4,251	4,545	3,993
Ancillary operations, net	-	78	(73)	467	453	521	48	48	78	(134)	(202)	(155)
Donations	61	48	23	976	964	866	-	283	310	90	91	118
Investment and other income	526	970	651	3,015	4,575	4,902	1,609	1,934	1,537	678	681	471
Amortization of external capital contributions	1,929	1,664	1,780	6,649	6,217	5,114	4,044	3,883	3,826	1,270	2,129	1,196
TOTAL REVENUE	52,525	52,411	48,914	201,561	205,514	184,459	140,962	140,013	132,812	54,254	55,770	56,753
EXPENSE												
Facility-based inpatient acute services	7,321	7,219	6,957	47,900	49,154	43,619	25,682	25,232	22,823	7,052	7,280	6,093
Facility-based emergency and outpatient services	1,929	1,764	1,689	10,334	10,835	9,441	2,539	3,142	3,336	3,868	3,772	3,450
Facility-based continuing care services	10,254	9,654	8,814	23,723	24,465	21,190	26,376	26,542	24,865	4,357	4,468	3,691
Community & home based services	4,021	3,305	2,626	9,902	9,518	8,430	13,333	13,464	12,945	6,254	6,224	5,408
Diagnostic & therapeutic services	8,181	8,004	6,986	40,238	40,668	34,401	19,682	18,810	18,115	9,168	9,395	8,297
Promotion, prevention and protection services	2,352	2,231	2,058	5,990	6,184	5,245	3,659	3,783	2,803	4,582	4,518	4,098
Research & education	-	-	-	-	-	-	67	54	65	-	-	-
Administration	2,685	2,419	2,347	9,402	9,223	8,591	9,057	9,204	8,378	3,588	3,519	3,256
Information technology and wai/net	966	1,006	785	3,378	3,398	3,240	1,855	1,847	1,718	816	1,154	875
Y2K remedial costs	-	-	107	250	427	2,544	-	48	1,364	70	-	394
Support services	11,991	13,053	10,947	40,459	40,755	35,928	33,264	31,906	30,734	13,644	14,296	12,176
Amortization of facilities and improvements	1,401	1,328	1,326	4,577	4,501	4,446	3,275	3,154	3,152	855	1,521	855
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	51,101	49,983	44,642	196,153	199,128	177,075	138,769	137,186	130,298	54,254	56,147	48,593
Excess (deficiency) of revenue over expense	1,424	2,428	4,272	5,408	6,386	7,384	2,173	2,827	2,514	-	(377)	8,160

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
 STATEMENT OF OPERATIONS
 FOR THE FISCAL YEAR 2000/2001 ENDED MARCH 31, 2001
 (Thousands of dollars)

	CROSSROADS				CAPITAL HEALTH				ASPEN				LAKELAND			
	2000/01		1999/00		2000/01		1999/00		2000/01		1999/00		2000/01		1999/00	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
REVENUE																
Alberta Health and Wellness contributions	40,105	40,433	38,149	1,163,962	1,176,203	1,100,000	56,313	56,650	53,938	102,156	102,392	96,917				
Other government contributions	1,000	1,358	1,285	12,271	18,013	12,780	1,405	1,513	967	3,848	3,590	2,454				
Fees and charges	2,380	2,634	2,339	87,586	91,241	90,668	5,049	5,595	5,195	9,606	10,404	9,543				
Ancillary operations, net	-	10	(108)	4,173	3,581	4,375	(32)	36	(27)	-	(4)	(35)				
Donations	75	54	122	-	-	-	200	616	241	-	533	410				
Investment and other income	345	1,071	732	53,992	62,380	51,632	1,904	3,606	1,868	1,688	2,393	1,694				
Amortization of external capital contributions	2,560	2,685	2,543	38,375	38,613	34,665	2,956	2,588	2,956	4,595	3,984	4,653				
TOTAL REVENUE	46,465	48,245	45,062	1,360,359	1,390,031	1,294,120	67,795	70,604	65,138	121,893	123,292	115,636				
EXPENSE																
Facility-based inpatient acute services	8,705	9,024	8,257	380,872	386,597	332,057	9,175	9,233	8,709	18,334	18,611	16,545				
Facility-based emergency and outpatient services	2,945	3,047	2,723	112,992	115,408	97,313	4,072	3,993	3,495	6,646	6,351	6,007				
Facility-based continuing care services	4,789	4,753	4,437	180,767	182,756	174,921	11,472	11,120	10,305	22,849	24,381	21,785				
Community & home based services	2,132	1,950	1,754	75,992	76,335	64,189	6,279	6,281	5,509	9,375	9,262	8,028				
Diagnostic & therapeutic services	7,983	8,237	7,502	260,417	265,465	234,372	11,193	11,230	9,874	20,211	21,106	18,334				
Promotion, prevention and protection services	2,270	2,315	2,113	33,920	34,318	32,507	3,024	3,066	2,893	6,285	6,143	5,304				
Research & education	-	-	-	68,336	67,122	63,300	-	-	-	595	-	-				
Administration	3,022	2,799	2,845	39,848	38,211	36,352	4,035	4,105	3,931	5,189	5,169	5,708				
Information technology and we/net	1,736	1,664	1,601	21,278	34,706	22,351	748	773	421	1,847	1,547	1,306				
Y2K remedial costs	-	-	439	-	-	7,599	-	-	807	450	37	1,913				
Support services	9,777	10,862	9,850	165,912	167,040	144,728	14,573	16,467	13,960	23,506	25,258	22,717				
Amortization of facilities and improvements	1,949	1,950	1,950	19,525	20,239	19,939	2,236	1,853	2,236	3,255	3,252	4,036				
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-				
TOTAL EXPENSE	45,308	46,601	43,471	1,359,859	1,388,197	1,229,628	66,807	68,121	62,140	118,542	121,117	111,683				
Excess (deficiency) of revenue over expense	1,157	1,644	1,591	500	1,834	64,492	988	2,483	2,998	3,351	2,175	3,953				

TABLE II

**HEALTH AUTHORITY FINANCIAL SUMMARY
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR 2000/2001 ENDED MARCH 31, 2001
(Thousands of dollars)**

	MISTAHIA			PEACE			KEEWEETINOK LAKES			NORTHERN LIGHTS		
	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL	2000/01 BUDGET	2000/01 ACTUAL	1999/00 ACTUAL
REVENUE												
Alberta Health and Wellness contributions	87,860	87,424	78,122	22,685	23,676	21,955	19,719	19,940	19,034	29,296	29,890	28,029
Other government contributions	470	474	476	-	285	20	350	572	371	431	577	204
Fees and charges	7,476	7,974	7,606	1,512	1,499	1,553	1,050	1,838	1,124	2,580	2,627	2,765
Ancillary operations, net	252	372	336	72	78	56	-	(61)	141	(37)	(25)	(20)
Donations	-	110	93	-	15	135	226	297	53	22	237	110
Investment and other income	1,335	2,498	2,151	732	989	857	800	1,115	737	683	727	556
Amortization of external capital contributions	5,393	6,086	5,136	1,032	1,273	1,036	1,148	1,050	1,047	2,652	2,392	2,266
TOTAL REVENUE	102,786	104,938	93,920	26,033	27,815	25,612	23,293	24,751	22,507	35,627	36,425	33,910
EXPENSE												
Facility-based inpatient acute services	23,827	23,932	21,847	4,805	5,118	4,717	4,074	4,082	3,412	9,031	8,575	7,861
Facility-based emergency and outpatient services	6,514	6,652	5,788	803	944	836	1,911	2,132	2,067	3,143	3,264	2,748
Facility-based continuing care services	8,824	8,567	7,875	3,649	3,803	3,736	1,436	1,649	1,116	1,439	1,488	1,332
Community & home based services	5,955	5,941	5,521	1,527	1,678	1,434	1,332	1,282	1,127	1,248	1,200	955
Diagnostic & therapeutic services	17,808	18,353	16,664	4,346	4,751	4,166	3,556	3,666	3,179	7,314	7,496	6,573
Promotion, prevention and protection services	4,658	4,055	3,359	1,732	1,841	1,578	1,995	1,800	1,831	1,962	1,952	1,750
Research & education	78	4	78	44	12	61	-	-	-	-	-	-
Administration	6,555	7,470	5,538	1,718	1,818	1,704	1,387	1,445	1,290	2,075	2,779	1,989
Information technology and weli/net	1,652	1,979	1,747	318	708	347	395	742	263	788	887	696
Y2K remedial costs	-	234	1,180	-	-	213	-	53	350	-	17	622
Support services	19,602	20,733	19,214	5,834	6,351	5,740	6,351	6,709	6,102	6,495	6,794	5,935
Amortization of facilities and improvements	4,396	4,788	4,187	1,032	751	762	849	884	847	1,903	1,844	1,770
Capital assets write-down	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENSE	99,869	102,708	92,998	25,808	27,775	25,294	23,286	24,444	21,584	35,398	36,296	32,231
Excess (deficiency) of revenue over expense	2,917	2,230	922	225	40	318	7	307	923	229	129	1,679

TABLE II

HEALTH AUTHORITY FINANCIAL SUMMARY
 STATEMENT OF OPERATIONS
 FOR THE FISCAL YEAR 2000/2001 ENDED MARCH 31, 2001
 (Thousands of dollars)

	NORTHWESTERN			ALBERTA MENTAL HEALTH BOARD			ALBERTA CANCER BOARD			HEALTH AUTHORITY TOTAL		
	2000/01	2000/01	1999/00	2000/01	2000/01	1999/00	2000/01	2000/01	1999/00	2000/01	2000/01	1999/00
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
REVENUE												
Alberta Health and Wellness contributions	15,417	15,486	14,731	203,553	203,578	173,855	116,502	116,047	88,774	3,623,623	3,645,462	3,392,541
Other government contributions	730	610	492	6,031	9,753	5,932	393	5,214	443	59,062	76,544	52,357
Fees and charges	307	334	256	2,940	2,948	3,270	2,300	1,737	2,243	272,312	281,119	276,798
Ancillary operations, net	-	(40)	(10)	(31)	(103)	(539)	244	150	157	15,315	14,573	15,901
Donations	3	8	5	21	29	49	2,082	1,687	1,337	9,718	10,789	10,556
Investment and other income	220	233	198	3,186	5,476	3,724	13,340	19,332	16,132	116,924	154,951	126,135
Amortization of external capital contributions	1,100	1,222	1,179	3,823	3,120	3,396	10,094	10,104	9,515	146,935	135,895	125,799
TOTAL REVENUE	17,777	17,853	16,851	219,523	224,801	189,687	144,955	154,271	118,601	4,243,889	4,319,333	4,000,087
EXPENSE												
Facility-based inpatient acute services	4,101	4,251	3,705	53,138	53,127	46,974	11,192	10,129	10,629	1,031,226	1,041,766	918,735
Facility-based emergency and outpatient services	343	351	306	8,112	7,537	7,005	31,375	34,802	26,262	365,003	372,270	313,557
Facility-based continuing care services	1,258	1,426	693	5,501	15,600	14,323	-	-	-	503,733	521,831	490,303
Community & home based services	2,300	2,221	1,953	82,111	72,781	54,062	13,340	13,598	10,025	349,111	328,855	263,976
Diagnostic & therapeutic services	2,170	2,292	1,755	14,721	17,359	16,403	37,133	37,426	30,266	795,356	797,462	708,809
Promotion, prevention and protection services	1,268	1,239	788	3,023	2,919	3,131	5,799	5,668	5,216	120,893	122,245	109,061
Research & education	79	116	146	490	675	305	16,065	17,210	14,756	101,695	101,901	94,254
Administration	1,285	1,406	1,442	12,225	12,654	10,486	4,564	4,549	4,001	180,030	176,763	158,764
Information technology and we/net	332	325	258	4,414	5,905	4,772	2,900	3,730	2,716	82,265	104,143	83,608
Y2K remedial costs	-	6	241	-	-	445	-	-	880	790	842	20,561
Support services	3,164	3,360	2,821	27,457	29,588	26,916	14,828	16,252	13,241	609,303	627,668	562,563
Amortization of facilities and improvements	800	860	501	3,347	1,807	2,403	4,965	4,906	4,881	87,436	83,725	82,952
Capital assets write-down	-	-	278	-	-	-	-	-	-	-	-	278
TOTAL EXPENSE	17,100	17,853	14,887	214,539	219,952	187,225	142,161	148,270	122,873	4,226,841	4,279,471	3,807,421
Excess (deficiency) of revenue over expense	677	-	1,964	4,984	4,849	2,462	2,794	6,001	(4,272)	17,048	39,862	192,666

TABLE III

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND
STATEMENT OF CASH FLOWS

MARCH 31, 2001
(Thousands of dollars)

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY ⁵	DAVID THOMPSON	EAST CENTRAL	WESTVIEW/CROSSROADS	CAPITAL HEALTH	ASPEN
ASSETS										
Cash and temporary investments	19,952	12,855	5,610	139,514	6,999	36,830	17,845	6,322	9,285	10,792
Accounts receivable	3,678	1,592	754	25,722	227	3,095	2,346	1,270	448	892
Contributions receivable	2,649	1,687	39	7,950	612	1,870	102	1,165	49	1,763
Inventories	1,542	755	822	12,303	521	2,774	529	646	758	540
Prepaid expenses	641	275	353	3,932	237	772	-	671	230	506
Current Assets	28,462	17,164	7,578	189,421	8,596	45,341	20,822	10,074	10,770	14,493
Non-current cash and investments	17,294	19,359	2,562	81,304	12,697	5,421	4,985	1,599	552	9,576
Capital assets	186,618	75,388	33,940	575,060	53,896	107,882	77,418	49,553	38,075	54,205
Other assets	454	-	683	64,338	-	2,334	-	-	891	-
TOTAL ASSETS	232,828	111,911	44,763	910,123	75,189	160,978	103,225	61,226	1,076,652	78,274
LIABILITIES, NET ASSETS AND ENDOWMENTS										
Accounts payable	10,413	7,496	3,143	83,461	3,180	12,018	8,031	4,422	6,387	4,505
Accrued vacation pay	7,473	4,637	2,464	43,982	2,126	8,152	4,107	1,939	2,030	2,962
Current deferred contributions	3,278	6,377	1,387	17,392	848	3,042	703	1,791	949	2,705
Current portion of long term debt	143	-	-	236	-	178	-	-	-	-
Current Liabilities	21,307	18,510	6,994	145,071	6,154	23,390	12,841	8,152	9,366	10,172
Non-current deferred contributions	3,943	-	-	33,941	-	3,285	907	-	-	-
Deferred capital contributions	5,479	-	1,878	108,757	8,973	4,126	4,078	1,599	1,075	1,617
Long-term debt	745	-	-	252	-	752	-	-	-	-
Unamortized external capital contributions	176,311	69,783	28,499	484,808	51,278	93,634	73,634	44,493	34,774	48,803
Other liabilities	-	-	-	13,707	-	-	-	-	-	8,594
TOTAL LIABILITIES	207,785	88,293	37,371	786,536	66,405	125,387	91,460	54,244	45,215	60,592
NET ASSETS AND ENDOWMENTS										
Unrestricted	10,194	3,184	113	31,373	1,803	1,628	7,981	1,922	1,442	4,363
Internally restricted	5,280	14,829	1,838	2,450	4,363	21,270	-	-	330	7,917
Investment in capital assets	9,419	5,605	5,441	89,764	2,618	12,693	3,784	5,060	3,301	5,402
Endowments	150	-	-	-	-	-	-	-	-	-
TOTAL NET ASSETS AND ENDOWMENTS	25,043	23,618	7,392	123,587	8,784	35,591	11,765	6,982	5,073	17,682
TOTAL LIABILITIES, NET ASSETS AND ENDOWMENTS	232,828	111,911	44,763	910,123	75,189	160,978	103,225	61,226	1,076,652	78,274

CASH FLOWS

Cash generated from (used by) operating activities
Cash generated from (used by) investing activities
Cash generated from (used by) financing activities
Increase (decrease) in cash and cash equivalent

Cash and cash equivalent, beginning of year

Cash and cash equivalent, end of year

Non-current cash and investments, end of year

Total cash, cash equivalent and non-current investments, end of year

9,690	8,029	1,680	76,658	3,475	10,440	2,369	(253)	4,560	26,368	2,942
(8,639)	(10,459)	(1,858)	(108,124)	(17,570)	(5,555)	(5,621)	(14,272)	(1,922)	(109,509)	(4,616)
4,366	3,944	1,019	49,189	15,598	2,700	4,548	12,641	265	93,435	2,759
5,417	1,514	841	17,723	1,503	7,585	1,296	(1,884)	3,203	10,294	1,085
14,535	11,341	4,769	121,791	5,496	29,245	16,549	8,206	6,082	117,931	9,707
19,952	12,855	5,610	139,514	6,999	36,830	17,845	6,322	9,285	128,225	10,792
17,294	19,359	2,562	81,304	12,697	5,421	4,985	1,599	552	105,037	9,576
37,246	32,214	8,172	220,818	19,696	42,251	22,830	7,921	9,837	233,262	20,368

TABLE III

HEALTH AUTHORITY SUMMARY
STATEMENT OF FINANCIAL POSITION AND
STATEMENT OF CASH FLOWS

MARCH 31, 2001

(Thousands of dollars)

	LAKELAND	MISTAHIA	PEACE	KEEWEE TINOK LAKES	NORTHERN LIGHTS	NORTHWESTERN	ALBERTA MENTAL HEALTH BOARD	ALBERTA CANCER BOARD	TOTAL OF ALL HEALTH AUTHORITIES 2001	TOTAL OF ALL HEALTH AUTHORITIES 2000
ASSETS										
Cash and temporary investments	9,416	10,509	4,337	1,586	3,622	3,520	44,981	11,029	483,229	434,141
Accounts receivable	890	1,565	435	759	1,109	138	3,558	4,656	78,390	73,863
Contributions receivable	1,445	515	336	350	-	325	465	10,526	41,605	42,352
Inventories	853	633	170	235	335	206	790	3,542	38,839	36,164
Prepaid expenses	332	737	73	68	240	113	601	652	45,088	28,408
Current Assets	12,936	13,959	5,351	2,988	5,306	4,302	50,395	30,405	687,151	614,928
Non-current cash and investments	5,852	5,115	11,342	7,085	1,703	2,673	10,688	30,760	335,604	207,681
Capital assets	63,042	119,645	43,717	29,925	29,651	18,487	63,839	126,547	2,490,310	2,420,697
Other assets	-	1,337	236	-	1,235	-	43,822	-	134,745	87,319
TOTAL ASSETS	81,830	140,056	60,646	40,008	37,895	25,462	168,744	187,712	3,647,810	3,330,625
LIABILITIES, NET ASSETS AND ENDOWMENTS										
Accounts payable	7,337	7,412	2,804	919	2,414	1,015	17,884	17,558	302,235	260,304
Accrued vacation pay	3,699	4,111	1,304	897	1,320	529	8,844	3,908	145,305	124,068
Current deferred contributions	1,382	733	49	1,231	168	238	3,558	11,937	120,747	103,735
Current portion of long term debt	49	-	-	-	-	6	-	-	3,056	5,813
Current Liabilities	12,467	12,256	4,157	3,047	3,902	1,788	30,286	33,403	571,343	493,920
Non-current deferred contributions	-	-	155	-	8	-	-	-	58,940	60,225
Deferred capital contributions	1,768	4,576	9,137	1,408	2,682	2,673	46,887	11,583	295,963	122,249
Long-term debt	36	-	-	-	-	-	-	-	13,844	18,412
Unamortized external capital contributions	56,563	114,160	41,212	26,813	28,145	16,505	53,533	113,523	2,210,599	2,179,421
Other liabilities	-	-	-	-	-	-	-	-	22,301	21,446
TOTAL LIABILITIES	70,834	130,992	54,661	31,268	34,737	20,966	130,706	158,509	3,172,990	2,895,673
NET ASSETS AND ENDOWMENTS										
Unrestricted	4,602	394	1,430	4,250	1,652	-	20,257	9,676	106,393	100,342
Internally restricted	-	3,185	2,050	1,378	-	2,520	7,475	6,503	115,904	125,904
Investment in capital assets	6,394	5,485	2,505	3,112	1,506	1,976	10,306	13,024	252,761	208,556
Endowments	-	-	-	-	-	-	-	-	150	150
TOTAL NET ASSETS AND ENDOWMENTS	10,996	9,064	5,985	8,740	3,158	4,496	38,038	29,203	474,820	434,952
TOTAL LIABILITIES, NET ASSETS AND ENDOWMENTS	81,830	140,056	60,646	40,008	37,895	25,462	168,744	187,712	3,647,810	3,330,625

CASH FLOWS

Cash generated from (used by) operating activities	3,272	4,986	3,560	719	930	138	12,288	2,818	174,669	189,444
Cash generated from (used by) investing activities	(8,912)	(12,385)	(14,769)	(6,693)	(2,342)	(3,766)	(59,242)	(24,931)	(420,855)	(327,567)
Cash generated from (used by) financing activities	1,456	9,732	14,228	872	1,689	2,745	59,230	14,888	295,304	216,592
Increase (decrease) in cash and cash equivalent	(4,184)	2,333	3,019	(5,102)	277	(883)	12,276	(7,225)	49,088	78,469
Cash and cash equivalent, beginning of year	13,600	8,176	1,318	6,688	3,345	4,403	32,705	18,254	434,141	355,672
Cash and cash equivalent, end of year	9,416	10,509	4,337	1,586	3,622	3,520	44,981	11,029	483,229	434,141
Non-current cash and investments, end of year	5,852	5,115	11,342	7,085	1,703	2,673	10,688	30,760	335,604	207,681
Total cash, cash equivalent and non-current investments, end of year	15,268	15,624	15,679	8,671	5,325	6,193	55,669	41,789	818,833	641,822

TABLE IV

HEALTH AUTHORITY SUMMARY OF
OTHER FINANCIAL INFORMATION
MARCH 31, 2001
(Thousands of dollars)

	CHINOOK	PALLISER	HEADWATERS	CALGARY	HEALTH AUTHORITY 5	DAVID THOMPSON	EAST CENTRAL	WESTVIEW	CROSSROADS	CAPITAL HEALTH	ASPEN
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	4.6%	4.6%	6.1%	4.1%	4.8%	4.6%	6.7%	6.3%	6.0%	2.8%	6.0%
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28,462	17,164	7,578	189,421	8,596	45,341	20,822	10,074	10,770	208,778	14,493
21,307	18,510	6,994	145,071	6,154	23,390	12,841	8,152	9,366	208,080	10,172
1.34	0.93	1.08	1.31	1.40	1.94	1.62	1.24	1.15	1.00	1.42

I. ADMINISTRATION COST AS A % OF TOTAL EXPENSES
excludes information technology and we/net

II. WORKING CAPITAL

Current Assets	28,462
Current Liabilities	21,307
WORKING CAPITAL RATIO	1.34

III. ALBERTA HEALTH AND WELLNESS FUNDING
COVERAGE RATIO

87.1%	82.9%	78.5%	84.9%	89.5%	89.2%	86.3%	82.8%	86.8%	84.7%	83.2%
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IV. AVERAGE REMAINING USEFUL LIFE
OF CAPITAL EQUIPMENT IN YEARS

3.6	3.8	5.4	4.7	4.4	5.7	4.5	4.7	2.8	4.3	3.8
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V. CAPITAL INVESTMENTS DURING THE YEAR

	Funded from internal resources	Equipment	Facilities and Improvements	Funded by external parties	Equipment	Facilities and Improvements	Land	Total Capital Investments during the year		
3,241	1,499	1,208	20,493	648	1,742	1,076	1,606	964	26,397	1,256
-	-	-	2,299	-	-	-	-	-	-	-
3,241	1,499	1,208	22,792	648	1,742	1,076	1,606	964	26,397	1,256
2,002	2,371	514	22,316	273	1,657	886	2,551	265	10,211	769
3,003	1,573	22	7,202	13,926	2,372	-	8,965	-	29,176	2,301
-	-	-	-	-	-	-	-	-	-	-
5,005	3,944	536	29,518	14,199	4,029	886	11,516	265	39,387	3,070
8,246	5,443	1,744	52,310	14,847	5,771	1,962	13,122	1,229	65,784	4,326

HEALTH AUTHORITY SUMMARY OF
OTHER FINANCIAL INFORMATION
MARCH 31, 2001

TABLE IV

LAKELAND	MISTAHIA	PEACE	KEEWEETINOK LAKES	NORTHERN LIGHTS	NORTHWESTERN	ALBERTA MENTAL HEALTH BOARD	ALBERTA CANCER BOARD	ALL HEALTH AUTHORITIES 2001	ALL HEALTH AUTHORITIES 2000
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4.3%	7.3%	6.5%	5.9%	7.7%	7.9%	5.8%	3.1%	4.1%	4.2%
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I. ADMINISTRATION COST AS A % OF TOTAL EXPENSES
excludes information technology and we//net

II. WORKING CAPITAL

Current Assets	13,959	5,351	2,998	5,306	4,302	50,395	30,405	687,151	614,928
Current Liabilities	12,467	4,157	3,047	3,902	1,788	30,286	33,403	571,343	493,920
WORKING CAPITAL RATIO	1.04	1.14	0.98	1.36	2.41	1.66	0.91	1.20	1.24

III. ALBERTA HEALTH AND WELLNESS FUNDING
COVERAGE RATIO

84.5%	85.1%	85.2%	81.6%	82.4%	86.7%	92.6%	78.3%	85.2%	89.1%
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IV. AVERAGE REMAINING USEFUL LIFE
OF CAPITAL EQUIPMENT IN YEARS

4.8	4.4	4.8	3.1	4.1	3.4	3.6	6.2	4.6	5.2
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V. CAPITAL INVESTMENTS DURING THE YEAR

Funded from internal resources	2,140	2,301	545	1,232	405	1,011	1,327	5,394	74,485	38,975
Equipment	-	6	-	-	-	-	-	-	2,305	4,280
Facilities and Improvements	2,140	2,307	545	1,232	405	1,011	1,327	5,394	76,790	43,255
Funded by external parties	1,789	5,774	4,475	81	624	608	1,184	12,007	70,357	137,735
Equipment	860	4,972	8,343	146	1,967	1,854	11,712	1,711	100,105	135,120
Facilities and Improvements	-	-	-	-	30	-	-	-	30	-
Land	-	-	-	-	-	-	-	-	-	-
Total	2,649	10,746	12,818	227	2,621	2,462	12,896	13,718	170,492	272,855
Total Capital Investments during the year	4,789	13,053	13,363	1,459	3,026	3,473	14,223	19,112	247,282	316,110

Government Organization Changes: effective April 1, 2001

Ministry	Program/Entity Changes	Previous Location	New Location
Aboriginal Affairs and Northern Development (new)	• Aboriginal Affairs	International and Intergovernmental Relations	
	• Northern Alberta Development Council • Western Economic Partnership Agreement	Energy (formerly Resource Development)	
Agriculture, Food and Rural Development	• except Public Lands (includes land mgmt & grazing) • except Surface Rights and Land Compensation Board		Sustainable Resource Development (new)
Children's Services	• no change		
Community Development	• except seniors • except seniors' Housing • except Alberta Social Housing Corporation		Seniors (new)
	• except Alberta Order of Excellence		Executive Council
	• Persons with Developmental Disabilities Boards and Foundation • Michener Centre • Premier's Council on the Status of Persons with Disabilities	Health & Wellness	
	• Parks and Protected Areas	Environment	
Economic Development	• no change		
Energy (formerly Resource Development)	• except Forest Industry Development		Sustainable Resource Development (new)
	• except Northern Alberta Development Council		Aboriginal Affairs and Northern Development (new)
	• except Western Economic Partnership Agreement		
Environment	• except Parks and Protected Areas		Community Development
	• except Land and Forest Service • except Fisheries and Wildlife Management • except Natural Resources Conservation Board • except Environmental Protection & Enhancement Fund (except Forest Development Research program)		Sustainable Resource Development (new)
	• except small water capital		Transportation (new)
	• except Forest Development Research program (formerly part of EPEF)		Innovation & Science

Ministry	Program/Entity Changes	Previous Location	New Location
Executive Council	<ul style="list-style-type: none"> • except Alberta Corporate Service Centre • Alberta Order of Excellence 		Government Services
Finance (formerly part of Treasury)	<ul style="list-style-type: none"> • Financial Management and Planning • except Alberta Securities Commission • except Medical Research Endowment Fund • except Heritage Savings Trust Fund • except Heritage Scholarship Fund • except Risk Management Fund 	Treasury	Finance Revenue Revenue Revenue Revenue
Gaming	<ul style="list-style-type: none"> • no change 		
Government Services	<ul style="list-style-type: none"> • Information Management and Privacy • Records Management • Alberta Corporate Service Centre 	Municipal Affairs Innovation & Science Executive Council	
Health and Wellness	<ul style="list-style-type: none"> • except Persons with Developmental Disabilities Boards and Foundation • except Michener Centre • except Premier's Council on the Status of Persons with Disabilities • except Healthy Aging Partnership Initiative 		Community Development Seniors (new)
Human Resources and Employment	<ul style="list-style-type: none"> • no change 		
Infrastructure	<ul style="list-style-type: none"> • except National Infrastructure Program • except Roads and Public Transportation (including water infrastructure) • except Transportation Engineering (including highways) • except surplus land • except Transportation Safety Board 		Transportation (new)
Innovation and Science	<ul style="list-style-type: none"> • except Records Management • Forest Development Research Program (formerly part of EPEF) 	Environment	Government Services
International and Intergovernmental Relations	<ul style="list-style-type: none"> • except Aboriginal Affairs 		Aboriginal Affairs and Northern Development (new)
Justice	<ul style="list-style-type: none"> • except Policing and Correctional Services • except Victims of Crime Fund 		Solicitor General (new)
Learning	<ul style="list-style-type: none"> • no change 		
Municipal Affairs	<ul style="list-style-type: none"> • except Information Management and Privacy 		Government Services

Ministry	Program/Entity Changes	Previous Location	New Location
Revenue (formerly part of Treasury)	<ul style="list-style-type: none"> • Tax and Revenue Administration • Investment Management Division • Alberta Securities Commission • Medical Research Endowment Fund • Heritage Savings Trust Fund • Risk Management Fund • Heritage Scholarship Fund 	Treasury	Revenue (new)
Seniors (new)	<ul style="list-style-type: none"> • Seniors • Seniors' Housing Corporation • Alberta Social Housing Corporation 	Community Development	
	<ul style="list-style-type: none"> • Healthy Aging Partnership Initiative 	Health & Wellness	
Solicitor General (new)	<ul style="list-style-type: none"> • Policing and Correctional Services • Victims of Crime Fund 	Justice	
Sustainable Resource Development (new)	<ul style="list-style-type: none"> • Public Lands (includes land mgmt & grazing) • Surface Rights & Land Compensation Boards 	Agriculture, Food, and Rural Development	
	<ul style="list-style-type: none"> • Land and Forest Service • Fisheries and Wildlife Management • Natural Resources Conservation Board • Environmental Protection & Enhancement Fund (except Forest Development Research Program) • Forest Industry Development 	Environment	
		Energy (formerly Resource Development)	
Transportation (new)	<ul style="list-style-type: none"> • Roads and Public Transportation (including water infrastructure) • Transportation Engineering (including highways) • Transportation Safety Board • surplus land • National Infrastructure Program 	Infrastructure	
	<ul style="list-style-type: none"> • small water capital 	Environment	

Index of All Government Entities

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency

Agriculture Financial Services Corporation
Alberta Alcohol and Drug Abuse Commission
Alberta Dairy Control Board
Alberta Energy and Utilities Board
Alberta Foundation for the Arts
Alberta Gaming and Liquor Commission
Alberta Government Telephones Commission, The
Alberta Heritage Foundation for Medical Research Endowment Fund
Alberta Heritage Savings Trust Fund
Alberta Heritage Scholarship Fund
Alberta Heritage Science and Engineering Research Endowment Fund
Alberta Historical Resources Foundation, The
iCORE Inc. (Informatics Circle of Research Excellence Inc.)
Alberta Insurance Council
Alberta Municipal Financing Corporation
Alberta Opportunity Company
Alberta Pensions Administration Corporation
Alberta Petroleum Marketing Commission
Alberta Research Council Inc.
Alberta Risk Management Fund
Alberta School Foundation Fund
Alberta Science and Research Authority
Alberta Securities Commission
Alberta Social Housing Corporation
Alberta Sport, Recreation, Parks and Wildlife Foundation
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ATB Investment Services Inc.
Child and Family Services Authorities:
 Awasak Child and Family Services Authority
 Calgary Rocky View Child and Family Services Authority
 Child and Family Services Authority Region 13
 Child and Family Services Authority Region 14
 Diamond Willow Child and Family Services Authority
 Hearthstone Child and Family Services Authority
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 Ma' Mowe Capital Region Child and Family Services Authority
 Metis Settlements Child and Family Services Authority
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Windsong Child and Family Services Authority
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Persons with Developmental Disabilities Community Boards

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Central Community Board

Edmonton Community Board

Northeast Community Board

Northwest Community Board

South Community Board

Persons with Developmental Disabilities Foundation

Persons with Developmental Disabilities Michener Centre Facility Board

Persons with Developmental Disabilities Provincial Board

S C Financial Ltd.

Supplementary Retirement Plan Reserve Fund

Victims of Crime Fund

Wild Rose Foundation, The

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Health and Wellness

Health and Wellness

Health and Wellness

Health and Wellness

Health and Wellness

Health and Wellness

Health and Wellness

Health and Wellness

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ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

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Health and Wellness

Alberta Foundation for Health Research

Innovation and Science

Alberta Heritage Foundation for Medical Research

Innovation and Science

Alberta Heritage Foundation for Science and Engineering Research

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Alberta Mental Health Board

Health and Wellness

Alberta Teachers' Retirement Fund Board

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Long-Term Disability Income Continuance Plan -Bargaining Unit

Human Resources and Employment

Long-Term Disability Income Continuance Plan -Management, Opted Out and Excluded

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Provincial Judges and Masters in Chambers Pension Plan

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Supplementary Retirement Plan for Public Service Managers

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Universities Academic Pension Plan

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