

ALBERTA MENTAL HEALTH BOARD
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING
FINANCIAL STATEMENTS
MARCH 31, 2007

ALBERTA MENTAL HEALTH BOARD

FINANCIAL STATEMENTS

MARCH 31, 2007

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The accompanying financial statements are the responsibility of management and have been approved by the Alberta Mental Health Board ("the Board"). The financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles and the Financial Directives issued by Alberta Health and Wellness, and of necessity include some amounts based on estimates and judgment.

To discharge its responsibility for the integrity and objectivity of financial reporting, management maintains a system of internal accounting controls comprising written policies, procedures, a formal authorization structure, and satisfactory processes for reviewing internal controls. This system provides management with reasonable assurance that transactions are in accordance with governing legislation, are properly authorized, reliable financial records are maintained, and assets are adequately accounted for and safeguarded. The Board has also established a code of conduct that applies to all employees.

The Board carries out its responsibility for the financial statements through the Audit and Resources Committee. This Committee meets with management and the Auditor General to review financial matters, and recommends the financial statements to the Board for approval. The Auditor General has full and free access to the Audit and Resources Committee.

The Auditor General provides an independent audit of the financial statements. His examination is conducted in accordance with Canadian Generally Accepted Auditing Standards and includes tests and other procedures, which allows him to report on the fairness of the financial statements prepared by management.

[Original signed]

Ray Block
President & Chief Executive Officer

[Original Signed]

Steven Ritz, C.A.
Director, Administrative Services

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

Auditor's Report

To the Members of the Alberta Mental Health Board
and the Minister of Health and Wellness

I have audited the statement of financial position of the Alberta Mental Health Board (the Board) as at March 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

[Original Signed by Fred J. Dunn, FCA]

Auditor General

Edmonton, Alberta
June 22, 2007

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF FINANCIAL POSITION
March 31, 2007
(thousands of dollars)

	<u>2007</u>	<u>2006</u>
ASSETS		
Current:		
Cash and investments (Note 3)	\$ 8,536	\$ 1,385
Accounts receivable	3,191	203
Contributions receivable from Alberta Health and Wellness	12,436	3,061
Inventories	86	-
Prepaid expenses	<u>1,342</u>	<u>779</u>
	25,591	5,428
Non-current cash and investments (Note 3)	13,647	12,300
Capital assets (Note 4)	<u>832</u>	<u>215</u>
TOTAL ASSETS	<u>\$ 40,070</u>	<u>\$ 17,943</u>
LIABILITIES AND NET ASSETS		
Current:		
Accounts payable and accrued liabilities	\$ 2,772	\$ 2,318
Accrued vacation pay	290	260
Deferred contributions (Note 5)	<u>11,165</u>	<u>2,201</u>
	14,227	4,779
Deferred contributions (Note 5)	13,785	1,071
Unamortized external capital contributions	<u>18</u>	<u>41</u>
	28,030	5,891
Commitments (Note 6)		
Net assets:		
Unrestricted (Note 7)	1,481	4,763
Internally restricted (Note 7)	<u>9,745</u>	<u>7,115</u>
Accumulated surplus	11,226	11,878
Investment in capital assets from internally funded sources	<u>814</u>	<u>174</u>
	12,040	12,052
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 40,070</u>	<u>\$ 17,943</u>

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

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF OPERATIONS

March 31, 2007
(thousands of dollars)

	2007	2007	2006
	Budget (Note 8)	Actual	Actual
Revenues			
Alberta Health and Wellness contributions (Note 9)	\$ 46,695	\$ 46,507	\$ 42,944
Other government contributions (Note 10)	96	119	2
Donations	100	38	75
Investment and other income (Note 11)	562	1,056	721
Amortized external capital contributions	24	23	74
TOTAL REVENUES	<u>47,477</u>	<u>47,743</u>	<u>43,816</u>
Expenses (Schedule 1)			
Facility-based inpatient acute nursing services	15,512	15,337	14,291
Facility-based emergency and outpatient services	7,318	7,249	6,859
Community-based care	5,403	4,675	3,272
Diagnostic and therapeutic services	7,344	6,997	6,161
Promotion, prevention and protection services	4,067	3,946	2,067
Research and education	1,558	1,546	1,133
Administration (Note 12)	4,814	4,686	3,663
Information technology	1,131	697	595
Support services (Note 13)	2,634	2,622	2,123
TOTAL EXPENSES	<u>49,781</u>	<u>47,755</u>	<u>40,164</u>
(Deficiency) excess of revenues over expenses	<u>\$ (2,304)</u>	<u>\$ (12)</u>	<u>\$ 3,652</u>

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

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF CHANGES IN NET ASSETS

MARCH 31, 2007
(thousands of dollars)

	2007			2006
	Accumulated Surplus (Note 7)	Investment in capital assets from internally funded sources	Total	Total
Balance at beginning of year	\$ 11,878	\$ 174	\$ 12,052	\$ 8,400
(Deficiency) excess of revenues over expenses	(12)	-	(12)	3,652
Capital assets purchased with internal funds	(768)	768	-	-
Disposal of internally funded capital assets	43	(43)	-	-
Amortization on internally funded capital assets	85	(85)	-	-
Balance at end of year	<u>\$ 11,226</u>	<u>\$ 814</u>	<u>\$ 12,040</u>	<u>\$ 12,052</u>

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

ALBERTA MENTAL HEALTH BOARD
STATEMENT OF CASH FLOWS
MARCH 31, 2007
(thousands of dollars)

	<u>2007</u>	<u>2006</u>
Cash generated from (used by):		
Operating activities:		
(Deficiency) excess of revenues over expenses	\$ (12)	\$3,652
Non-cash transactions:		
Amortization of capital equipment - internally funded	85	34
- externally funded	23	74
Amortized external capital contributions	(23)	(74)
Amortization of premium (discount) on non-current investments	15	-
Gain on disposal of capital equipment	-	(8)
Loss on disposal of non-current investments	9	-
Interest accrued on non-current investments	(110)	-
Change in deferred contributions	21,678	1,897
Change in non-cash working capital accounts	<u>(12,528)</u>	<u>(338)</u>
	<u>9,137</u>	<u>5,237</u>
Investing activities:		
Purchase of non-current investments	(14,936)	-
Purchase of capital equipment - internally funded	(768)	(140)
Proceeds on sale of non-current investments	1,312	-
Proceeds on sale of capital equipment	43	8
Interest received on non-current investments	63	-
Allocations from (to) non-current cash	<u>12,300</u>	<u>(5,672)</u>
	<u>(1,986)</u>	<u>(5,804)</u>
Increase (decrease) in cash	7,151	(567)
Cash, beginning of year	<u>1,385</u>	<u>1,952</u>
Cash and investments, end of year	<u>\$ 8,536</u>	<u>\$1,385</u>

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

ALBERTA MENTAL HEALTH BOARD
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2007

Note 1 Alberta Mental Health Board, Purpose and Operations

The Alberta Mental Health Board ("the Board") is a provincial health board established on April 1, 1999 by *Alberta Regulation 84/99* (AR84/99). The Board is exempt from payment of income tax and is a registered charity under the Income Tax Act.

The Board receives its mandate from and reports to the Minister of Alberta Health and Wellness. In its role of advancing mental health for Alberta, the Board is involved in numerous initiatives, including advocacy, policy advice, working with the regional health authorities ("RHAs") and stakeholders in the implementation of the Provincial Mental Health Plan, and collaborating with inter-provincial, national and international partners.

In fulfilling its mandate, the Board advances a significant portion of its budget to RHAs and other contract service operators. During fiscal 2007, such transactions represented 79% of total expenses (2006 – 80%). Details are presented in Schedule 3.

Note 2 Significant Accounting Policies and Reporting Practices

The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and the reporting requirements of Alberta Health & Wellness' Financial Directive 29. Following are the significant accounting policies:

(a) Revenue Recognition

These financial statements are prepared using the deferral method, of which the key elements are:

- (i) Unrestricted operating grants and other contributions are recognized as revenue in the year receivable.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

- (ii) Externally restricted capital contributions are recorded as deferred capital contributions until invested in capital assets. Amounts invested, representing externally funded capital assets, are then transferred to unamortized external capital contributions. Unamortized external capital contributions are recognized as revenue in the period in which the related amortization expense of the capital asset is recorded.
- (iii) Externally restricted non-capital contributions are recognized as revenue in the year proportional to the related expenses incurred, subject to the terms and conditions of the contribution.
- (iv) Unrestricted investment income is recognized in the year earned.
- (v) Investment income subject to external restrictions is deferred and recognized as revenue in the year the related expenses are incurred.
- (vi) Donations and contributions in kind are recorded at fair value when such value can be reasonably determined.

(b) Employee Future Benefits

The Board participates in the Local Authorities Pension Plan. This multi-employer defined benefit pension plan provides pensions for the Board's participating employees, based on years of service and earnings. Defined contribution plan accounting is applied to a multi-employer defined benefit plan for which the Board has insufficient information to apply defined benefit plan accounting.

Pension costs in the statements comprise the employer's contributions required for its employees during the year, based on rates expected to provide benefits payable under the pension plans. The Board does not record its portion of the plan's deficit or surplus.

The Board fully accrues its obligations for employee non-pension future benefits.

Note 2 Significant Accounting Policies and Reporting Practices (continued)

(c) Investments

Non-current investments are recorded at cost unless there was an other-than-temporary impairment in value. At that time, the value is reduced. Discounts or premiums arising on purchase are amortized on a straight-line basis over the maturity period. Gains or losses on disposal are recognized in the period of disposal.

(d) Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable, contributions receivable from Alberta Health and Wellness, accounts payable and accrued liabilities, and accrued vacation pay approximates fair value because of the short-term maturity of these items. The fair value of investments is disclosed in note 3.

The Board does not have any off-balance sheet financial instruments.

(e) Inventories

Inventories are valued at the lower of cost (defined as first-in, first-out) or net realizable value.

(f) Capital Assets

Capital assets and work in progress are recorded at cost. Capital assets with unit costs less than five thousand dollars are expensed on acquisition. Capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Furniture, equipment and vehicle (collectively "Equipment")	5-15 years
Information technology	5 years
Leasehold improvements	5 years

Work in progress is not amortized until the project is complete.

(g) Measurement Uncertainty

The financial statements, by their nature, contain estimates and are subject to measurement uncertainty. The classification of deferred contributions as current and non-current is based on estimates of the revenue to be recognized in the next fiscal year for externally restricted non-capital contributions. Actual results could differ from these estimates due to changes in the timeline, scope or nature of the relevant operations.

Note 3 Cash and Investments

	2007	2006
	(thousands of dollars)	
Cash	\$ 120	\$ 13,685
Money Market Securities	8,416	-
Bonds	10,082	-
Equities	3,565	-
Total	\$ 22,183	\$ 13,685
Classified as:		
Current	\$ 8,536	\$ 1,385
Non-current	13,647	12,300
	\$ 22,183	\$ 13,685
Market value of total cash and investments	\$ 22,282	\$ 13,685

(a) Income and financial returns on cash and investments are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk is comprised of interest rate risk and market risk. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Market risk relates to the possibility that the investment will change in value due to future fluctuations in market prices.

To earn optimal financial returns at an acceptable level of risk, management has established an asset mix policy of 20% to 100% for cash and cash equivalents, 40% to 60% for fixed income instruments and 0% to 20% for equities. Non-Canadian equities are further limited to 30% of the equity portfolio. Risk is reduced through asset class diversification, diversification within each asset class and quality constraints on fixed income and equity instruments.

(b) Money market securities include Government of Canada treasury bills maturing between five to forty-seven days and bear interest at an average effective yield of 4.45% per annum.

(c) Publicly traded fixed income instruments are managed with the objective of providing optimal returns while maintaining maximum security of capital. Return is optimized within risk constraints on the portfolio by management of portfolio duration and issuer mix. Fixed income securities are invested in bonds with a rating of A or higher.

The bonds have an average effective yield of 4.14% per annum and have the following maturity structure as at March 31, 2007:

1 – 5 years	34.8%
5 – 10 years	36.5%
Over 10 years	28.7%

Note 3 Cash and Investments (continued)

(d) Equities are comprised of units in a pooled equity portfolio that includes publicly traded securities in a major stock market. Risk is reduced by prudent security selection and sector rotation.

	2007	2006
	(thousands of dollars)	
Non-current cash and investments represent the following:		
Externally restricted for operating purposes	\$ 3,480	\$ -
Internally restricted for capital purposes	768	1,536
Internally restricted for operating purposes	6,361	4,432
Unrestricted cash and investments not held for current purposes	3,038	6,332
	\$ 13,647	\$ 12,300

Note 4 Capital Assets

Cost
(thousands of dollars)

Capital Asset	Opening Balance Apr-1-06	Additions	Disposals	Closing Balance Mar-31-07
Equipment	\$ 557	\$ 99	\$ 322	\$ 334
Information Technology	55	359	14	400
Leasehold Improvements	-	268	-	268
Work in Progress	-	42	-	42
	\$ 612	\$ 768	\$ 336	\$ 1,044

Accumulated Amortization
(thousands of dollars)

Opening Balance Apr-1-06	Current year amortization	Amortization on Disposals	Closing Balance Mar-31-07	Net Book Value 2007	Net Book Value 2006
\$ 360	\$ 50	\$ 279	\$ 131	\$ 203	\$ 197
37	45	14	68	332	18
-	13	-	13	255	-
-	-	-	-	42	-
\$ 397	\$ 108	\$ 293	\$ 212	\$ 832	\$ 215

Note 4 Capital Assets (continued)

Capital assets were funded from the following sources:

	<u>2007</u>	<u>2006</u>
	(thousands of dollars)	
Externally funded (<i>unamortized external capital contributions</i>)	\$ 18	\$ 41
Internally funded (<i>invested in capital assets</i>)	814	174
	<u>\$ 832</u>	<u>\$ 215</u>

Note 5 Deferred Contributions

The balance at the end of the year is restricted for the following purposes:

	<u>2007</u>	<u>2006</u>
	(thousands of dollars)	
Current		
Childrens Mental Health Projects	\$ 8,599	\$ -
Mental Health Innovation Projects	1,064	1,115
Aboriginal Youth Suicide Program	949	556
Telemental Health Clinical	263	201
Alberta Centennial Mental Health Research Chairs Program	145	-
Mental Health Research Showcase	75	-
Information Security Compliance	70	329
	<u>11,165</u>	<u>2,201</u>
Non-Current		
Childrens Mental Health Projects	69	-
Mental Health Innovation Projects	221	301
Aboriginal Youth Suicide Program	369	639
Telemental Health Clinical	99	131
Alberta Centennial Mental Health Research Chairs Program	2,855	-
Information Security Compliance	172	-
Community Treatment Orders / Special Mental Health	10,000	-
	<u>13,785</u>	<u>1,071</u>
	<u>\$ 24,950</u>	<u>\$ 3,272</u>

Note 6 Commitments

(a) Leases

The Board is contractually committed to future operating lease payments until 2012 as follows:

For the year ended March 31	(thousands of dollars)
2008	\$725
2009	728
2010	585
2011	585
2012	332

(b) Contract Service Operators

The Board contracts on an ongoing basis and for externally restricted initiatives with contract service operators to provide various services in the mandate of the Board (Schedule 3). As measured by percentage of total expense, the Board has contracted or anticipates to contract for services in the year ending March 31, 2008 similar to those provided by these operators in 2007.

Note 7 Accumulated Surplus

The Board's accumulated surplus comprises the following:

	<u>2007</u>	<u>2006</u>
	(thousands of dollars)	
Unrestricted net assets	<u>\$ 1,481</u>	<u>\$ 4,763</u>
Internally restricted net assets		
Research	4,053	4,071
Board Priorities	3,000	-
Mental Health Capacity Building for Children and Families	1,368	-
Future capital expenditures	928	1,960
Provincial Mental Health Plan	363	708
Mental health services and programs	-	250
Patient Advocate	33	126
	<u>9,745</u>	<u>7,115</u>
	<u>\$ 11,226</u>	<u>\$ 11,878</u>

Note 8 Budget

	2006/2007		2006/2007
	Approved	Adjustments ⁽²⁾	Reported
	Budget ⁽¹⁾		Budget
(thousands of dollars)			
Revenues			
Alberta Health and Wellness contributions	\$ 46,695	\$ -	\$ 46,695
Other government contributions	96	-	96
Donations	100	-	100
Investment and other income	562	-	562
Amortization of external capital contributions	24	-	24
TOTAL REVENUES	<u>47,477</u>	<u>-</u>	<u>47,477</u>
Expenses			
Facility-based inpatient acute nursing services	14,647	865	15,512
Facility-based emergency and outpatient services	6,694	624	7,318
Community-based care	5,991	(588)	5,403
Diagnostic and therapeutic services	6,408	936	7,344
Promotion, prevention and protection services	4,079	(12)	4,067
Research and education	1,558	-	1,558
Administration	6,386	(1,572)	4,814
Information technology	1,131	-	1,131
Support services	2,887	(253)	2,634
TOTAL EXPENSES	<u>49,781</u>	<u>-</u>	<u>49,781</u>
Deficiency of revenues over expenses	<u>\$ (2,304)</u>	<u>\$ -</u>	<u>\$ (2,304)</u>

⁽¹⁾ The 2007 budget was approved by the board of the Alberta Mental Health Board on March 17th, 2006 and submitted to the Minister of Health and Wellness for approval.

⁽²⁾ Adjustments relate to classification changes to ensure budgeted expenses conform with actual reporting classifications.

Note 9 Alberta Health and Wellness Contributions

	2007	2006
	(thousands of dollars)	
Unrestricted contributions	\$ 44,943	\$ 42,448
Transfers from deferred contributions	1,564	496
	<u>\$ 46,507</u>	<u>\$ 42,944</u>

Note 10 Other Government Contributions

	2007	2006
	(thousands of dollars)	
Alberta Government		
Transfers from deferred contributions	\$ 44	\$ -
Other	75	2
	<u>\$ 119</u>	<u>\$ 2</u>

Note 11 Investment and other income

	2007	2006
	(thousands of dollars)	
Investment income	\$ 540	\$ 335
Other income	516	386
	<u>\$ 1,056</u>	<u>\$ 721</u>

Investment income comprises interest, amortization of discounts and premiums, and net gains and losses on disposal of investments. Other income primarily comprises conference registration fees and sponsorships, course registration fees, contract revenue to support the Telehealth Scheduling System and other cost recoveries. The contract revenue to support the Telehealth Scheduling System includes \$118,000 from ministries of the Province (2006 - \$71,000).

Note 12 Administration

	2007	2006
	(thousands of dollars)	
General administration ⁽¹⁾	\$ 4,351	\$ 3,404
Administration - contract service operators (Schedule 3) ⁽²⁾	10	17
Finance	286	205
Human resources	39	37
	<u>\$ 4,686</u>	<u>\$ 3,663</u>

Note 12 Administration (continued)

⁽¹⁾General administration includes costs relating to the following types of activities that do not meet the criteria for inclusion in other expense categories:

- Promoting and supporting implementation of the made-in-Alberta approach outlined in the Provincial Mental Health Plan, *Advancing the Mental Health Agenda (April 2004)*;
- Bringing a provincial perspective to programming and support for regional mental health service delivery;
- Strengthening advocacy and consumer support;
- Advising on policy; and
- Collaborating with inter-provincial, national and international partners.

⁽²⁾The cost of contracted services is allocated to the appropriate expense categories as if the Board directly performed the activities. Where information is unobtainable, the Board uses a systematic and rational basis for the allocation.

Note 13 Support services

	<u>2007</u>	<u>2006</u>
	(thousands of dollars)	
Support services - contract service operators (Schedule 3) ⁽¹⁾	\$ 2,054	\$ 1,752
Building maintenance and operations	568	371
	<u>\$ 2,622</u>	<u>\$ 2,123</u>

⁽¹⁾The cost of contracted services is allocated to the appropriate expense categories as if the Board directly performed the activities. Where information is unobtainable, the Board uses a systematic and rational basis for the allocation.

Note 14 Related Parties

(a) Province of Alberta

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

The Board is established under the Regional Health Authorities Act. The Minister of Health and Wellness appoints the members. The Board is economically dependent upon the Ministry of Health and Wellness since the viability of its ongoing operations depends on contributions from the Ministry.

Note 14 Related Parties (continued)

Transactions between the Board and ministries of the Province are disclosed in the Statement of Operations and in notes 9, 10 and 11 and Schedule 1 to the financial statements. As at March 31, 2007, no amount is receivable from the Ministry of Health and Wellness other than contributions receivable (2006 - \$21,000); \$3,000,000 is receivable from the Ministry of Advanced Education and Technology (2006 - \$0). As at March 31, 2007, \$303,000 is payable to the Ministry of Infrastructure and Transportation (2006 - \$179,000).

The Board had the following transactions with other related parties recorded in the Statement of Financial Position and Statement of Operations at the amounts agreed upon by the parties:

	<u>Receivable from:</u>		<u>Payable to:</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	(thousands of dollars)			
Capital Health ⁽¹⁾	\$ -	\$ -	\$ 475	\$ 690
Calgary Health Region ⁽¹⁾	-	10	316	189
Other Regional Health Authorities	54	32	264	34
AADAC	-	-	182	192
School Boards & Schools	-	-	179	-
	<u>\$ 54</u>	<u>\$ 42</u>	<u>\$ 1,416</u>	<u>\$ 1,105</u>

	<u>Revenue</u>		<u>Expenses</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	(thousands of dollars)			
Capital Health	\$ 6	\$ 7	\$ 22,548	\$ 21,465
Calgary Health Region	4	35	10,902	8,800
Other Regional Health Authorities	57	34	1,128	166
AADAC	5	-	757	756
School Boards & Schools	-	-	809	-
	<u>\$ 72</u>	<u>\$ 76</u>	<u>\$ 36,144</u>	<u>\$ 31,187</u>

⁽¹⁾In addition to the payables to Capital Health and Calgary Health Region, \$141,000 and \$897,000, respectively, are presented as a Prepaid expense in the Statement of Financial Position as the Board expects to apply the amounts to expenses with Capital Health and Calgary Health Region in fiscal 2008 (2006: Capital Health - \$0; Calgary Health Region - \$595,000).

ALBERTA MENTAL HEALTH BOARD
SCHEDULE OF EXPENSES BY OBJECT
FOR YEAR ENDED MARCH 31, 2007

Note 14 Related Parties (continued)

(b) Other Contract Service Operators

The Board has an economic interest through its contracts with other service operators for mental health justice initiatives and mental health promotion and prevention services in the Province. Details are presented in Schedule 3.

Note 15 Pension Costs

The Board participates in the Local Authorities Pension Plan, which is a multi-employer defined benefit plan. Pension expense in these financial statements is equal to the Board's annual contributions payable of \$286,000 for the year ended March 31, 2007 (2006 - \$251,000).

At December 31, 2006, the Local Authorities Pension Plan reported a deficiency of \$746,651,000 (2005 - \$863,558,000).

Note 16 Comparative Figures

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

Note 17 Approval of Financial Statements

These financial statements have been approved by the Board.

(thousands of dollars)

	Budget (Note 8)	2007	2006
Salaries and benefits (Schedule 2)	\$ 4,719	\$ 4,659	\$ 4,016
Contracts with health service operators (Schedule 3)	39,233	37,556	32,135
Other contracted services	2,442	2,458	1,780
Other expenses ⁽¹⁾	3,312	2,974	2,125
Amortization of capital equipment:			
- internally funded	51	85	34
- externally funded	24	23	74
	<u>\$ 49,781</u>	<u>\$ 47,755</u>	<u>\$ 40,164</u>
⁽¹⁾ Other expenses			
Promotion, prevention, and educational materials	\$ 545	\$ 302	\$ 257
Facility rent ⁽²⁾	466	521	353
Travel	461	566	381
Administrative services referred out to Capital Health	571	384	440
Miscellaneous	1,269	1,201	694
	<u>\$ 3,312</u>	<u>\$ 2,974</u>	<u>\$ 2,125</u>

⁽²⁾The 2007 fiscal year includes office lease costs of \$128,000 payable to Alberta Infrastructure and Transportation under the terms of the lease agreements (2006-\$179,000).

**ALBERTA MENTAL HEALTH BOARD
SCHEDULE OF SALARIES AND BENEFITS
FOR THE YEAR ENDED MARCH 31, 2007
(thousands of dollars)**

Schedule 2

	2007						2006		
	Number of Individuals ⁽¹⁾	Salaries and Honoraria ⁽²⁾	Benefits and Allowances ⁽³⁾	Sub-Total	Severance ⁽⁴⁾		Number of Individuals ⁽¹⁾	Total Salaries, Honoraria, Benefits ⁽²⁾⁽³⁾	
					Number of Individuals	Amount			Total
Board Compensation									
Board Chairperson									
Ference, Jean (Dr.)	1	\$ 6	\$ -	6	-	\$ -	6	\$ -	
Read, John G. (Dr.)	1	7	-	7	-	-	7	9	
Board Members									
Bunce, Neil	-	-	-	-	-	-	-	1	
Desbarats, Susan	1	1	-	1	-	-	1	3	
Fielding, Alan	1	4	-	4	-	-	4	3	
Horne, Fred	1	2	-	2	-	-	2	-	
Laforce-Fertig, Louise	1	5	-	5	-	-	5	5	
Marrie, Thomas J. (Dr.)	-	-	-	-	-	-	-	1	
McBain, Harold	1	4	-	4	-	-	4	-	
Mikkelsen, David	1	2	-	2	-	-	2	4	
Preston, Jerry	1	5	-	5	-	-	5	5	
Steinhauer, Sharon	1	4	-	4	-	-	4	4	
Taylor, Ruth (Dr.)	1	5	-	5	-	-	5	3	
Total honoraria	11	45	-	45	-	-	45	40	
Staff									
Mental Health Patient Advocate Office	3.00	259	36	295	1.00	98	393	3.00	
President & Chief Executive Officer ⁽⁵⁾	1.00	242	19	261	-	-	261	1.00	
Management persons reporting to the President & CEO:									
Vice President, Advocacy, Innovation & Monitoring	1.00	200	19	219	-	-	219	1.00	
Vice President, Programs & Research	1.00	200	19	219	-	-	219	1.00	
Executive Director, Childrens Mental Health	0.50	67	2	69	-	-	69	-	
Other management persons reporting directly to those above	9.00	906	153	1,059	-	-	1,059	8.50	
Other management	4.45	399	62	461	-	-	461	3.12	
Other staff	28.72	1,633	300	1,933	-	-	1,933	24.88	
Total staff	48.67	3,906	610	4,516	1.00	98	4,614	42.50	
Total	59.67	\$ 3,951	\$ 610	\$ 4,561	1.00	\$ 98	\$ 4,659	52.50	\$ 4,016

See accompanying information on the following page.

Schedule 2 (continued)

**SCHEDULE OF SALARIES AND BENEFITS,
FOR THE YEAR ENDED MARCH 31, 2007**

1. Number of individuals for staff is determined at the rate of 2,023 annual hours for each full-time employee. Total actual discrete number of individuals employed for staff: 69 (2006 - 59). "Discrete" number of individuals refers to all employees who were in the system during the fiscal year.
2. Salaries include regular base pay, lump sum payments, honoraria, sick leave, short-term disability, earned vacation leave and other remuneration.
3. Benefits and allowances include the employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, out-of-country medical benefits, group life insurance, accidental death and dismemberment, long and short-term disability plans, Canada Pension Plan, employment insurance, and workers compensation. Professional development and membership costs may also be paid on behalf of or reimbursed to employees but such amounts are not included under benefits and allowances.
4. Severance includes direct or indirect payments to individuals upon termination, which are not included in salaries, honoraria, benefits and allowances.
5. The President & Chief Executive Officer is provided with an automobile; no dollar amount in respect of automobile costs is included under benefits and allowances.

ALBERTA MENTAL HEALTH BOARD
 SCHEDULE OF CONTRACT SERVICE OPERATORS
 FOR THE YEAR ENDED MARCH 31, 2007
 (thousands of dollars)

Schedule 3

	Direct Region Funding	Facility-based		Community & home based services	Diagnostic & therapeutic services	Promotion prevention & protection services	Research and education	Administration	Information technology	Support services	Total Expenditures
		Facility-based inpatient acute nursing services	emergency & outpatient services								
A. Health Authorities											
Capital Health - Forensics	\$ 20,767	\$ 11,872	\$ 4,605	\$ 1,192	\$ 3,098	\$ -	\$ -	\$ -	\$ -	\$ -	20,767
Capital Health - Other	1,399	-	26	570	372	16	15	-	397	3	1,399
Calgary Health Region - Forensics	9,414	3,273	1,628	440	2,075	-	-	-	-	1,998	9,414
Calgary Health Region - Other	1,461	-	-	917	282	215	4	-	-	43	1,461
David Thomson Health Region	403	-	21	216	148	12	6	-	-	-	403
Chinook Health Region	357	-	-	206	84	46	4	10	-	7	357
Palliser Health Region	233	-	-	133	91	9	-	-	-	-	233
Other Regional Health Authorities	105	-	-	48	9	43	2	-	-	3	105
B. Other Contract Service Operators											
School Boards & Schools	809	-	-	-	139	670	-	-	-	-	809
AADAC	757	-	-	448	309	-	-	-	-	-	757
Homefront	518	-	-	307	211	-	-	-	-	-	518
Centre for Suicide Prevention	360	-	-	-	-	360	-	-	-	-	360
Schizophrenia Society of Alberta	219	-	-	-	-	219	-	-	-	-	219
Institute of Health Economics	120	-	-	-	-	-	120	-	-	-	120
Canadian Mental Health Association	140	-	-	-	-	134	6	-	-	-	140
Alberta Network for Mental Health	100	-	-	-	-	100	-	-	-	-	100
Other agencies & service providers	394	-	71	-	-	254	69	-	-	-	394
Total 2006/07	\$ 37,556	\$ 15,145	\$ 6,351	\$ 4,477	\$ 6,818	\$ 2,078	\$ 226	\$ 10	\$ 397	\$ 2,054	\$ 37,556
Total 2005/06	\$ 32,135	\$ 14,148	\$ 5,613	\$ 3,086	\$ 5,993	\$ 1,032	\$ 97	\$ 17	\$ 397	\$ 1,752	\$ 32,135