

CALGARY REGION COMMUNITY BOARD PERSONS WITH DEVELOPMENTAL DISABILITIES

Financial Statements

March 31, 2002

CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
FINANCIAL STATEMENTS
MARCH 31, 2002

Auditor's Report

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AUDITOR'S REPORT

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

I have audited the statement of financial position of the Calgary Region Community Board Persons with Developmental Disabilities as at March 31, 2002 and the statements of operations and changes in financial position for the year then ended. These financial statements are the responsibility of the 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 Calgary Region Community Board Persons with Developmental Disabilities as at March 31, 2002 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

I also report that, as described in Note 10, the Board made certain payments that did not comply with the *Persons with Developmental Disabilities Community Governance Act*.

Original Signed By Fred Dunn, CA
Auditor General

Edmonton, Alberta
May 1, 2002

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Statement of Operations
For the year ended March 31, 2002
(in thousands)**

	2002		2001
	Budget (Schedule 2)	Actual	Actual (As restated - Note 3)
Revenue			
Grant From Persons With Developmental Disabilities Provincial Board	\$ 85,970	\$ 89,437	\$ 78,825
Expenses - Directly Incurred (Schedule 1 and Note 2b)			
Programs			
Community Living Supports	46,661	48,826	42,549
Employment Supports	11,857	9,622	9,725
Community Access Supports	15,511	15,468	13,248
Specialized Community Supports	1,296	1,540	1,384
Supports to Delivery System	10,561	13,856	12,043
Board Governance	84	126	118
	<u>85,970</u>	<u>89,438</u>	<u>79,067</u>
Valuation Adjustments			
Provision for Vacation Pay	-	(77)	65
	<u>85,970</u>	<u>89,361</u>	<u>79,132</u>
Net Operating Results	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ (307)</u>

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Statement of Financial Position
As at March 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated - Note 3)
Assets		
Cash	\$ 2,831	\$ 2,217
Accounts Receivable	1	1
	<u>\$ 2,832</u>	<u>\$ 2,218</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	<u>\$ 3,949</u>	<u>\$ 3,411</u>
Net Assets (Liabilities)		
Net Assets (Liabilities), Beginning of Year	(1,193)	(886)
Net Operating Results	76	(307)
	<u>(1,117)</u>	<u>(1,193)</u>
Net Assets (Liabilities), End of Year	<u>\$ 2,832</u>	<u>\$ 2,218</u>

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Statement of Changes in Financial Position
For the year ended March 31, 2002
(in thousands)**

	<u>2002</u>	<u>2001</u> (As restated Note 3)
Operating Transactions		
Net Operating Results	\$ 76	\$ (307)
Non Cash Item		
Provision for Vacation Pay	(77)	65
	<u>(1)</u>	<u>(242)</u>
Decrease in Accounts Receivable	-	6,315
Increase (Decrease) in Accounts Payable and Accrued Liabilities	<u>615</u>	<u>(1,514)</u>
Cash Provided by Operating Transactions	<u>614</u>	<u>4,559</u>
Cash/(Bank Overdraft), Beginning of Year	<u>2,217</u>	<u>(2,342)</u>
Cash, End of Year	<u>\$ 2,831</u>	<u>\$ 2,217</u>

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Notes to the Financial Statements
For the year ended March 31, 2002
(in thousands)**

Note 1 Authority and Purpose

The Calgary Region Community Board, Persons with Developmental Disabilities (the Board) is a corporation that was 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 that have been 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 Community Development and for which the Minister of Community Development 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.

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

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

(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:

- Valuation adjustments include changes in the valuation allowances that are used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.
- The cost of salary, wages and benefits related to employees assigned to the Board through an arrangement with the Department of Community Development are included in manpower expense. Pension costs are the cost of employer contributions for current service of employees during the year.

Incurred by Others

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

Fees related to the audit of the March 31, 2002 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$39.5 (2001 - \$29).

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 \$5.

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

In the prior years, vacation liability of employees assigned to the board was recorded as a liability in the financial statements of the Department of Community Development. In the current year this liability was transferred to the Board. This change has been applied retroactively. The effect of this change is to reflect accrued vacation liability of \$874 (2001 - \$951), resulting in a decrease of expenses by \$77 (2001 – increase by \$65).

Note 4 Accounts Payable and Accrued Liabilities

	2002	2001
Accrued Liabilities	\$ 3,075	\$ 2,460
Accrued Vacation Pay	874	951
Total	<u>\$ 3,949</u>	<u>\$ 3,411</u>

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 Commitments

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

	<u>2002</u>
Program Contracts (a)	\$ 21,765
Long-term Leases (b)	142

(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 un-expired terms of these leases are as follows:

2003	\$ 60
2004	53
2005	<u>29</u>
	<u>\$ 142</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, 2002 trust funds under administration were as follows:

	<u>2002</u>	<u>2001</u>
Client Trust Funds	<u>\$ 94</u>	<u>\$ 85</u>

Note 9 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.

The estimated balance of agency surplus retention reserves at March 31, 2002 was \$30 (March 31, 2001 - \$23). This amount is not reflected in these financial statements.

Note 10 Grandfathered Clients

The Legislative Assembly passed the *Persons with Developmental Disabilities Community Governance Act* in 1997, and this new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria. Certain individuals who were receiving services prior to the passing of the Act but who no longer met these new criteria for Persons with Developmental Disabilities supports were grandfathered into the new Persons with Developmental Disabilities service system. In response to a recommendation from the *Building Better Bridges Report*, Government directed that Persons with Developmental Disabilities Boards continue providing services to grandfathered individuals until service responsibility is handed-off to a more appropriate provincial program. Accordingly, expenses related to the care of these individuals do not comply with the Act. The total cost of these services for 86 (2001 – 99) individuals is estimated to be \$2,850 (2001 - \$2,144) of which \$1,730 is reflected in the Statement of Operations and \$1,120 is reflected in Schedule 1.

Note 11 Comparative Figures

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

Note 12 Approval of Financial Statements

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Schedule of Expenses Detailed by Object
For the year ended March 31, 2002
(in thousands)**

Schedule 1

	2002		2001
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u> (As restated - Note 3)
Manpower Costs (a)	\$ 8,231	\$ 9,097	\$ 8,314
Supplies and Services	28,667	34,794	32,338
Grants	<u>49,072</u>	<u>46,667</u>	<u>38,915</u>
Total expenses before vacation pay and recoveries	<u>85,970</u>	<u>90,558</u>	<u>79,567</u>
Provision for Vacation Pay	-	(77)	65
Less Recovery from Support Service (b)	<u>-</u>	<u>(1,120)</u>	<u>(500)</u>
Total expenses after recoveries	<u>\$ 85,970</u>	<u>\$ 89,361</u>	<u>\$ 79,132</u>

- (a) Manpower costs relate to employees seconded to the Board from the Department of Community Development and are not employees of the Board.
- (b) The Board provides specialized program supports to children who are the responsibility of the Calgary Rocky View Child and Family Services Authority. Costs incurred for these services are recovered from Calgary Rocky View Child and Family Services Authority.

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Schedule of Budget
For the year ended March 31, 2002
(in thousands)**

Schedule 2

	2001 - 2002 Original Budget	Increases from Provincial Board	2001 - 2002 Current Allocation	2001 - 2002 Actuals
Revenue				
Grant from Persons with Developmental Disabilities Provincial Board	\$ 85,970	\$ 3,467	\$ 89,437	\$ 89,437
Expenses				
Programs				
Community Living Supports	46,661	(2,941)	43,720	48,826
Employment Supports	11,857	(1,157)	10,700	9,622
Community Access Supports	15,511	1,694	17,205	15,468
Specialized Community Supports	1,296	524	1,820	1,540
Supports to Delivery System	10,561	5,347	15,908	13,856
Board Governance	84	-	84	126
	<u>85,970</u>	<u>3,467</u>	<u>89,437</u>	<u>89,438</u>
Valuation Adjustments				
Provision for Vacation Pay	-	-	-	(77)
	<u>85,970</u>	<u>3,467</u>	<u>89,437</u>	<u>89,361</u>
Net Operating Results	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76</u>

The 2001-2002 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on May 31, 2001. 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 on October 11, 2001 and January 10, 2002. The 2001-2002 Current Allocation final result also includes a year-end transfer of Alberta Corporate Service Centre Expenditures.

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES
Schedule of Disclosure of Compensation Paid to Executives
For the year ended March 31, 2002
(in thousands)**

Schedule 3

	2002			2001
	Payments	Benefits and Allowances	Total	Total
Chair of the Board (a)	\$ 15	\$ -	\$ 15	\$ 14
Board Members (7 members) (a)	\$ 63	\$ -	\$ 63	\$ 89
Chief Executive Officer (b)	\$ 94	\$ 16	\$ 110	\$ 104

(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 Community Development. The Chief Executive Officer is assigned to the Board under an arrangement with the Department of Community Development.

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

**CALGARY REGION COMMUNITY BOARD
PERSONS WITH DEVELOPMENTAL DISABILITIES**

Schedule of Allocated Costs

**For the year ended March 31, 2002
(in thousands)**

Schedule 4

Program	2002				2001	
	Expenses (1)	Expenses Incurred by Others		Vacation Pay	Total Expenses	Total Expenses
		Accommodation Costs (2)				
Community Living Supports	\$ 48,826	\$ 1,116	\$ -	\$ 49,942	\$ 43,591	
Employment Supports	9,622	-	-	9,622	9,725	
Community Access Supports	15,468	-	-	15,468	13,248	
Specialized Community Supports	1,540	-	-	1,540	1,384	
Supports to Delivery System	13,856	206	(77)	13,985	13,876	
Board Governance	126	-	-	126	118	
	<u>\$ 89,438</u>	<u>\$ 1,322</u>	<u>\$ (77)</u>	<u>\$ 90,683</u>	<u>\$ 81,942,000</u>	

1) Expenses - Directly Incurred as per Statement of Operations excluding vacation pay.

2) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5, Department of Infrastructure.

**CALGARY REGION COMMUNITY BOARD
 PERSONS WITH DEVELOPMENTAL DISABILITIES
 Schedule of Related Party Transactions
 For the year ended March 31, 2002
 (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 Community Development 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 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>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues				
Persons with Developmental Disabilities Provincial Board	\$ 89,437	\$ 78,825	\$ -	\$ -
Expenses				
Department of Government Services	\$ -	\$ -	\$ 330	\$ -
Department of Finance	-	-	120	-
Department of Infrastructure	-	-	15	1
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465</u>	<u>\$ 1</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>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Expenses - Incurred by Others				
Community Development	\$ -	\$ 1,595	\$ -	\$ -
Department of Infrastructure	-	-	1,322	1,215
	<u>\$ -</u>	<u>\$ 1,595</u>	<u>\$ 1,322</u>	<u>\$ 1,215</u>

The above transactions do not include support service arrangement transactions disclosed in Schedule 1.

