

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

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Financial Statements

March 31, 2003

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Financial Statements  
March 31, 2003**

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, 2003 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, 2003 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*.

Edmonton, Alberta  
May 16, 2003

Original Signed by Fred J. Dunn, FCA  
Auditor General

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Statement of Operations  
For the year ended March 31, 2003  
(thousands of dollars)**

|  | 2003                   |               | 2002                |
|--|------------------------|---------------|---------------------|
|  | Budget<br>(Schedule 2) | Actual        | Actual<br>(Note 11) |
| <b>Revenues</b>  |                        |               |                     |
| Grant from Persons with Developmental Disabilities           |                        |               |                     |
| Provincial Board   | \$ 93,421              | \$ 96,663     | \$ 89,437           |
| Previous Year's Refund of Expenditures                       | -                      | 167           | -                   |
|  | <u>93,421</u>          | <u>96,830</u> | <u>89,437</u>       |
| <b>Expenses – Directly Incurred (Note 2b and Schedule 1)</b> |                        |               |                     |
| Community Living Supports                                    | 46,598                 | 47,949        | 46,861              |
| Employment Supports  | 10,630                 | 9,568         | 10,051              |
| Community Access Supports                                    | 17,957                 | 19,477        | 16,091              |
| Specialized Community Supports                               | 1,873                  | 1,746         | 1,598               |
| Direct Operations  | -                      | 960           | 856                 |
| Supports to Delivery System                                  | 16,258                 | 16,219        | 13,887              |
| Board Governance   | 105                    | 89            | 94                  |
|  | <u>93,421</u>          | <u>96,008</u> | <u>89,438</u>       |
| <b>Valuation Adjustments</b>                                 |                        |               |                     |
| Provision for Vacation Pay                                   | -                      | 47            | (77)                |
|  | <u>93,421</u>          | <u>96,055</u> | <u>89,361</u>       |
| <b>Net Operating Results</b>                                 | <u>\$ -</u>            | <u>\$ 775</u> | <u>\$ 76</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, 2003  
(thousands of dollars)**

|   | 2003     | 2002     |
|---|----------|----------|
| <b>Assets</b>                                     |          |          |
| Cash  | \$ 4,425 | \$ 2,831 |
| Accounts Receivable                               | 2        | 1        |
| Capital Assets (Note 6)                           | 195      | -        |
|   | \$ 4,622 | \$ 2,832 |
| <b>Liabilities</b>                                |          |          |
| Accounts Payable and Accrued Liabilities (Note 3) | \$ 4,964 | \$ 3,949 |
| <b>Net Assets (Liabilities)</b>                   |          |          |
| Net Liabilities, Beginning of Year                | (1,117)  | (1,193)  |
| Net Operating Results                             | 775      | 76       |
| Net Liabilities, End of Year                      | (342)    | (1,117)  |
|   | \$ 4,622 | \$ 2,832 |

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, 2003  
(thousands of dollars)**

|   | 2003     | 2002     |
|---|----------|----------|
| Operating Transactions  |          |          |
| Net Operating Results   | \$ 775   | \$ 76    |
| Non-Cash Items  |          |          |
| Valuation Adjustment – Provision for Vacation Pay                   | 47       | (77)     |
| Amortization  | 5        | -        |
|   | 827      | (1)      |
| Increase in Accounts Receivable                                     | (1)      | -        |
| Increase in Accounts Payable and Accrued Liabilities <sup>(a)</sup> | 968      | 615      |
| Cash Provided by Operating Transactions                             | 1,794    | 614      |
| Investing Transactions  |          |          |
| Purchase of Capital Assets  | (200)    | -        |
| Net Cash Provided   | 1,594    | 614      |
| Cash, Beginning of Year   | 2,831    | 2,217    |
| Cash, End of Year   | \$ 4,425 | \$ 2,831 |

<sup>(a)</sup> Adjusted for valuation adjustments.

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, 2003**

**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*.

The Board reports to the Ministry of Community Development through the Persons with Developmental Disabilities Provincial Board. The Board has the responsibility to help adults with developmental disabilities to live as independently as possible by providing advocacy and a variety of services within the region.

**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.

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Notes to the Financial Statements  
For the year ended March 31, 2003**

**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:

- Amortization of capital assets;
- Valuation Adjustments include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities; and
- The cost of salaries, 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 comprise the cost of employer contributions for current service of employees during the year.

Employees are assigned to the Board through an arrangement with the Department of Community Development.

Description of Program Expenses Reported on the Statement of Operations

Community Living Supports – expenses incurred to assist adults with developmental disabilities to live in a home of their choice.

Employment Supports – expenses incurred to assist adults with developmental disabilities in gaining and maintaining employment.

Community Access Supports – expenses incurred to assist adults with developmental disabilities to participate in community activities and personal development activities.

Specialized Community Supports – expenses incurred to provide other unique supports that are needed to assist adults with developmental disabilities in their environment or to enhance their access to the community.



**Calgary Region Community Board  
Persons with Developmental Disabilities  
Notes to the Financial Statements  
For the year ended March 31, 2003**

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

**Basis of Financial Reporting (continued)**

Direct Operations – other expenses incurred to operate the following facilities:

- Bow Park Court
- Scenic Bow Legion Group Homes
- Parkmont Achievement Center

Supports to Delivery System – expenses incurred to provide administrative and financial support for program delivery.

Board Governance – expenses incurred in support of Board related activities.

Incurred by Others

Services contributed by other entities in support of the Board operations are disclosed in Schedule 5 and the amounts are not reported in the Statement of Operations.

Fees related to the audit of the March 31, 2003 financial statements have not been included in the Statement of Operations. Costs for this service have been estimated at \$43,000 (2002 – \$39,000).

**Assets**

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

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

**Liabilities**

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

**Net Assets (Liabilities)**

Net liabilities represents the difference between the values of assets held by the Board and its liabilities.

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Notes to the Financial Statements  
For the year ended March 31, 2003**

**Note 3 Accounts Payable and Accrued Liabilities (thousands of dollars)**

|  | 2003     | 2002     |
|--|----------|----------|
| Accrued Grants to Individuals                    | \$ 3,100 | \$ 2,854 |
| Employee Accrued Vacation Pay and Manpower Costs | 1,025    | 1,008    |
| Accrued Supplies and Services                    | 839      | 87       |
|  | \$ 4,964 | \$ 3,949 |

**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, 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 of services.

**Note 6 Capital Assets (thousands of dollars)**

|                       |          | 2003                     |                |                | 2002 |
|-----------------------|----------|--------------------------|----------------|----------------|------|
| Estimated Useful Life | Cost     | Accumulated Amortization | Net Book Value | Net Book Value |      |
| Vehicles              | 3 years  | \$ 187                   | \$ 5           | \$ 182         | \$ - |
| Equipment             | 15 years | 13                       | -              | 13             | -    |
|                       |          | \$ 200                   | \$ 5           | \$ 195         | \$ - |

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Notes to the Financial Statements  
For the year ended March 31, 2003**

**Note 7 Commitments (thousands of dollars)**

As at March 31, 2003, the Board has the following commitments:

|                                  | 2003  | 2002<br>(restated) |
|----------------------------------|-------|--------------------|
| Program Contracts <sup>(a)</sup> | \$ 56 | \$ -               |
| Long-term Leases <sup>(b)</sup>  | 43    | 142                |
|                                  | \$ 99 | \$ 142             |

<sup>(a)</sup> The actual amounts are dependent on the usage of service.

<sup>(b)</sup> 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:

|      |       |
|------|-------|
| 2004 | \$ 18 |
| 2005 | 15    |
| 2006 | 8     |
| 2007 | 2     |
|      | \$ 43 |

**Note 8 Surplus Retention Reserves (thousands of dollars)**

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; and
- For expenses of a one-time nature that will not result in incremental or continuing operating costs.

The estimated balance of these reserves at March 31, 2003 was \$30 (March 31, 2002 – \$30). This amount is not reflected in these financial statements.

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Notes to the Financial Statements  
For the year ended March 31, 2003**

**Note 9 Trust Fund Under Administration (thousands of dollars)**

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, 2003 trust funds under administration were as follows:

|                    | 2003  | 2002  |
|--------------------|-------|-------|
| Client Trust Funds | \$ 83 | \$ 94 |

**Note 10 Grandfathered Clients and Services (thousands of dollars)**

When the *Persons with Developmental Disabilities Community Governance Act* (the *Act*) was passed by the Alberta Legislature in 1997, the new legislation narrowed the service mandate from the previous disability supports program and established eligibility criteria.

Certain individuals and agencies which were receiving services prior to the passing of the *Act* but which no longer met these new criteria for Persons with Developmental Disabilities (PDD) supports were grandfathered into the new PDD service system. In response to a recommendation from the *Building Better Bridges* Report, Government directed that PDD Boards continue providing services to grandfathered individuals and agencies until service responsibility is handed-off to a more appropriate provincial program.

Accordingly, expenses related to these grandfathered individuals and agencies do not comply with the *Act*. The total cost of these services for 71 (2002 – 86) individuals that have been included in the Statement of Operations is estimated to be \$1,535 (2002 – \$1,715). The total cost for 2 agencies (2002 – 3) that has been included in the Statement of Operations is estimated to be \$1,020 (2002 – \$1,135).

In addition, there are specialized program supports to children who are the responsibility of Calgary Rocky View Child and Family Services Authority. The total cost of these services that has been included in Schedule 1 is estimated to be \$1,295 (2002 – \$1,120).

**Note 11 Comparative Figures**

Certain 2002 figures have been reclassified to conform to the 2003 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  
Expenses – Directly Incurred Detailed By Object  
For the year ended March 31, 2003  
(thousands of dollars)**

|  | 2003             |                  | 2002             |
|--|------------------|------------------|------------------|
|  | Budget           | Actual           | Actual           |
| Manpower Costs <sup>(a)</sup>  | \$ 10,806        | \$ 9,620         | \$ 9,097         |
| Supplies and Services  | 32,765           | 41,828           | 34,794           |
| Grants   | 49,850           | 45,850           | 46,667           |
| Amortization of Capital Assets   | -                | 5                | -                |
|  | <u>93,421</u>    | <u>97,303</u>    | <u>90,558</u>    |
| Provision for Vacation Pay   | -                | 47               | (77)             |
| Less Recovery from Support Service<br>Arrangements with Related Parties <sup>(b)</sup> | -                | (1,295)          | (1,120)          |
|  | <u>\$ 93,421</u> | <u>\$ 96,055</u> | <u>\$ 89,361</u> |

<sup>(a)</sup> Manpower costs relate to employees seconded to the Board from the Department of Community Development and are not employees of the Board.

<sup>(b)</sup> 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 activities are recovered from Calgary Rocky View Child and Family Services Authority.

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Budget  
For the year ended March 31, 2003  
(thousands of dollars)**

|   | 2002-2003<br>Original Budget <sup>(a)</sup> | Transfer of<br>Responsibility <sup>(b)</sup> | Reallocation<br>From Provincial<br>Board | 2002-2003<br>Current Budget |
|---|---|--|--|-----------------------------|
| <b>Revenue</b>  |   |  |  |                             |
| Grant from Persons with<br>Development Disabilities<br>Provincial Board | \$ 93,421                                   | \$ (123)                                     | \$ 3,365                                 | \$ 96,663                   |
| Other Revenue   | -   | -  | 115                                      | 115                         |
|   | <u>93,421</u>                               | <u>(123)</u>                                 | <u>3,480</u>                             | <u>96,778</u>               |
| <b>Expenses</b>   |   |  |  |                             |
| Community Living Supports   | 46,598                                      | (123)  | 5,799                                    | 52,274                      |
| Employment Supports   | 10,630                                      | -  | (264)                                    | 10,366                      |
| Community Access Supports   | 17,957                                      | -  | (1,294)                                  | 16,663                      |
| Specialized Community Supports  | 1,873                                       | -  | (214)                                    | 1,659                       |
| Direct Operations   | -   | -  | -  | -                           |
| Supports to Delivery System   | 16,258                                      | -  | (550)                                    | 15,708                      |
| Board Governance  | 105   | -  | 3  | 108                         |
|   | <u>93,421</u>                               | <u>(123)</u>                                 | <u>3,480</u>                             | <u>96,778</u>               |
| <b>Net Operating Results</b>  | <u>\$ -</u>                                 | <u>\$ -</u>                                  | <u>\$ -</u>                              | <u>\$ -</u>                 |

The 2002-2003 Original Budget was reported as part of the Government Estimates that were tabled in the Legislative Assembly of Alberta on May 14, 2002. 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 on December 12, 2002 and March 13, 2003.

- (a) The 2002-2003 Original Budget corresponds to the 2003 Budget in the Statement of Operations for the year ended March 31, 2003.
- (b) A contract serving the deaf and hard-of-hearing was transferred to the Department of Community Development effective September 1, 2002 and grant funding for the contract was reduced accordingly.

**Calgary Region Community Board  
Persons with Developmental Disabilities  
Salary and Benefits Disclosure  
For the year ended March 31, 2003  
(thousands of dollars)**

|  | 2003                    |                            |       | 2002  |
|--|-------------------------|----------------------------|-------|-------|
|  | Salaries /<br>Honoraria | Benefits and<br>Allowances | Total | Total |
| Chair of the Board <sup>(a)</sup>      | \$ 14                   | \$ -                       | \$ 14 | \$ 15 |
| Board Members (7) <sup>(a)</sup>       | 60                      | -                          | 60    | 63    |
| Chief Executive Officer <sup>(b)</sup> | 105                     | 22                         | 127   | 110   |

<sup>(a)</sup> These amounts represent honoraria payments made to the Chair and Members of the Board.

<sup>(b)</sup> 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  
Allocated Costs  
For the year ended March 31, 2003  
(thousands of dollars)**

| Program                        | 2003                    |                                    |                               |                                      | 2002             |                          |
|--------------------------------|-------------------------|------------------------------------|-------------------------------|--------------------------------------|------------------|--------------------------|
|                                | Expenses <sup>(a)</sup> | Expenses – Incurred by Others      |                               | Valuation Adjustments <sup>(d)</sup> |                  | Total Expenses (Note 11) |
|                                |                         | Accommodation Costs <sup>(b)</sup> | Legal Services <sup>(c)</sup> | Vacation Pay                         | Total Expenses   |                          |
| Community Living Supports      | \$ 47,949               | \$ 1,233                           | \$ -                          | \$ -                                 | \$ 49,182        | \$ 47,977                |
| Employment Supports            | 9,568                   | -                                  | -                             | -                                    | 9,568            | 10,051                   |
| Community Access Supports      | 19,477                  | -                                  | -                             | -                                    | 19,477           | 16,091                   |
| Specialized Community Supports | 1,746                   | -                                  | -                             | -                                    | 1,746            | 1,598                    |
| Direct Operations              | 960                     | -                                  | -                             | -                                    | 960              | 856                      |
| Supports to Delivery System    | 16,219                  | 207                                | 7                             | 47                                   | 16,480           | 14,016                   |
| Board Governance               | 89                      | -                                  | -                             | -                                    | 89               | 94                       |
|                                | <u>\$ 96,008</u>        | <u>\$ 1,440</u>                    | <u>\$ 7</u>                   | <u>\$ 47</u>                         | <u>\$ 97,502</u> | <u>\$ 90,683</u>         |

- (a) Expenses – Directly Incurred as per Statement of Operations excluding vacation pay.
- (b) Costs shown for Accommodation (including grants in lieu taxes) per Schedule 5, Department of Infrastructure.
- (c) Costs for Legal Services per Schedule 5, Department of Justice.
- (d) Valuation Adjustments as per the Statement of Operations.



**Calgary Region Community Board**  
**Persons with Developmental Disabilities**  
**Related Party Transactions**  
**For the year ended March 31, 2003**  
**(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 Board.

The Board and the employees seconded to it from the Department of Community Development 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 |               |
|---------------------------------------|--------------------------|-------------|----------------|---------------|
|                                       | 2003                     | 2002        | 2003           | 2002          |
| <b>Revenues</b>                       |                          |             |                |               |
| Persons with Development Disabilities |                          |             |                |               |
| Provincial Board                      | \$ 96,663                | \$ 89,437   | \$ -           | \$ -          |
| <b>Expenses</b>                       |                          |             |                |               |
| Department of Government Services     | \$ -                     | \$ -        | \$ 313         | \$ 330        |
| Department of Innovation and Science  | -                        | -           | 195            | -             |
| Department of Finance                 | -                        | -           | -              | 120           |
| Department of Infrastructure          | -                        | -           | -              | 15            |
|                                       | <u>\$ -</u>              | <u>\$ -</u> | <u>\$ 508</u>  | <u>\$ 465</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  |                 |
|--------------------------------------|--------------------------|-------------|-----------------|-----------------|
|                                      | 2003                     | 2002        | 2003            | 2002            |
| <b>Expenses – Incurred by Others</b> |                          |             |                 |                 |
| Department of Infrastructure         | \$ -                     | \$ -        | \$ 1,440        | \$ 1,322        |
| Department of Justice                | -                        | -           | 7               | -               |
|                                      | <u>\$ -</u>              | <u>\$ -</u> | <u>\$ 1,447</u> | <u>\$ 1,322</u> |

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

