



## Alberta Adolescent Recovery Centre Commitment to Financial Accountability

The Alberta Adolescent Recovery Centre (“AARC”) is a non-profit organization registered:

- under the Societies Act of Alberta,
- as a charitable organization by the Canada Revenue Agency under the Income Tax Act, and
- under the Charitable Fund-raising Act of Alberta

AARC has adopted an Accountability Strategy that includes a financial management system designed to provide controls over financial accounting and reporting, and sets out a framework for financial reporting to enhance accountability and transparency.

AARC’s policies comply with the financial management and governance standards of the Canadian Accreditation Council of Human Services ([www.cacohs.com](http://www.cacohs.com)).

### *Financial Management Overview*

#### Board of Directors

AARC’s independent Board of Directors meets a minimum of 5 times a year to review all matters affecting the organization, including budgets, monthly financial statements, annual audited financial statements, auditors’ reports and other financial materials as required. Board members do not receive any remuneration for their services as a Board Member.

#### Financial Statements and Annual Audit

AARC’s financial statements are prepared in accordance with Canadian generally accepted accounting principles. Our annual **financial statements** are audited by an independent firm of chartered accountants, **Collins Barrow LLP**.

#### Audit Committee

AARC’s audit committee is comprised of the Treasurer of AARC’s Board of Directors and two additional senior financial executives from the Calgary business community. The Committee meets with AARC’s auditors to review the audit plan, audit reports and the audited financial statements.

## Financial Advisors

AARC's financial resources are managed in accordance with an Investment Policy developed with our investment advisors Mawer Investment Management Ltd. ("Mawer"). The majority of AARC's financial resources are under management by **Mawer**.

## Personnel

All financial matters are the responsibility of AARC's Director of Operations, a chartered accountant with over 30 years of business and financial experience. Day-to-day financial activities are the responsibility of AARC's finance officer under the supervision of AARC's Director of Operations.

AARC maintains a donor data base system that tracks all information on our donors, their contributions and any specific wishes or restrictions with respect to their contributions. This system is maintained by our community relations staff independently of our financial system, and is reconciled to our financial system on a regular basis.

## Budget and monthly financial statements

AARC's annual budget is reviewed by the finance committee of the Board of Directors, and is approved by the Board. Monthly financial statements are prepared including comparisons of actual results to budgeted results. These financial statements are presented at Board meetings.

## ***Key Financial Accountability Activities and Accomplishments***

### Contributions from all stakeholders

AARC's **support** comes from a wide range of stakeholders, all of whom have a part in our success:

- The *client families*, who pay a fee-for-service, established by each family's ability to contribute towards the **cost of treatment**.
- *Graduated clients and their families* who continue to support AARC through financial and in-kind contributions of time, expertise and goods and services.
- The *provincial government*, who provide contract services funding, sponsorship of individual families and specific project funding.
- The *Calgary community* that provides general and specific financial and in-kind contributions.
- The *Calgary Board of Education* ("CBE") who operate an on-site classroom facility with two full-time CBE teachers with access to all the specialized resources of the CBE.
- The *City of Calgary* through business and property tax exemptions.

### Responsible use of funds

- Administrative costs as a percentage of total organization costs are 8%.
- AARC is accessible to all families. The median income for families seeking treatment at AARC over the last 10 years is \$75,000, which is slightly less than the median household income for Alberta families as reported by Statistics Canada in 2006. 75% of the families that come to AARC receive some level of financial subsidy towards the full **cost of treatment**. Some families pay our minimum fee of \$10 per day.
- Our community intervention program is funded independent of the treatment model, and uses a significant amount of volunteer time from our graduate families, the very people who have benefited the most from their treatment, and who are best able to inform others by sharing their experience.

### Financial reserves

AARC has established financial reserves to fund a number of important initiatives:

- Clinical Staff Development
- Research and Outcome Evaluation
- Community Education and Outreach
- Special Initiatives
- Client Treatment Accessibility

and to provide protection from financial uncertainty during our clinical expansion project as we grow our client capacity from 30 families to a full complement of 50-55 families.

### Use of other professional services

AARC accesses the services of other professionals for the benefit of the clients and the organization without additional costs to the client families or AARC. These professionals include physicians, psychiatrists and members of the legal community.

### Financial Reporting to Stakeholders

AARC provides financial and other program information to a variety of stakeholders, including:

- The Province of Alberta
- Calgary and Area Child and Family Services Authority
- Alberta Alcohol and Drug Abuse Commission (“AADAC”)
- The Alberta Lottery Fund
- Contractual funding organizations
- Donors

Information provided to these stakeholders include organization financial statements and budgets, specific project and activity financial reports along with program and project activity and outcomes.