

# **The Wild Rose Foundation**

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Financial Statements

March 31, 2004

**The Wild Rose Foundation  
Financial Statements  
March 31, 2004**

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## Auditor's Report

To the Members of the Wild Rose Foundation

I have audited the statement of financial position of the Wild Rose Foundation as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Foundation'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 Wild Rose Foundation as at March 31, 2004 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  
May 21, 2004

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

**The Wild Rose Foundation**  
**Statement of Operations**  
**Year ended March 31, 2004**

	2004		2003
	Budget (Schedule 2)	Actual	Actual
<b>Revenues</b>			
Internal Government Transfers			
Transfers from Department of Community Development	\$ 7,766,000	\$ 7,766,000	\$ 6,550,000
Investment Income	420,000	338,055	300,399
Premiums, Fees and Licences			
- Vitalize Conference for Volunteers	156,000	127,809	136,719
Other Revenue			
Donations			
- Vitalize Conference for Volunteers	53,000	45,904	25,284
Refunds of Expenses			
- Other Initiatives	100,000	8,374	94,909
Miscellaneous Revenue			
- Vitalize Conference for Volunteers	7,000	4,379	11,225
	<u>8,502,000</u>	<u>8,290,521</u>	<u>7,118,536</u>
<b>Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 4)</b>			
Support to Alberta Non-Profit Organizations	4,115,000	4,476,449	4,049,954
International Development Program	1,705,000	1,859,514	1,672,018
Voluntary Sector Development	1,522,000	794,572	462,837
Vitalize Conference for Volunteers	637,000	521,078	474,475
Other Initiatives	250,000	219,064	201,365
Administration	274,000	226,576	186,091
	<u>8,503,000</u>	<u>8,097,253</u>	<u>7,046,740</u>
Net Operating Results	<u>\$ (1,000)</u>	193,268	71,796
Operating Fund Balance at Beginning of Year		<u>1,904,026</u>	<u>1,832,230</u>
Operating Fund Balance at End of Year		<u>\$ 2,097,294</u>	<u>\$ 1,904,026</u>

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

**The Wild Rose Foundation  
Statement of Financial Position  
As at March 31, 2004**

	2004	2003
<b>Assets</b>		
Cash (Note 3)	\$ 3,715,170	\$ 3,007,059
Accounts Receivable	1,752	1,307
Prepaid Expenses	50,646	51,734
	3,767,568	3,060,100
Investment (Note 3)	6,500,000	6,500,000
Tangible Capital Assets (Note 4)	768	1,730
	<b>\$ 10,268,336</b>	<b>\$ 9,561,830</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 1,669,500	\$ 1,157,804
Unearned Revenue	1,542	-
	1,671,042	1,157,804
<b>Equity</b>		
Endowment Fund – Internally Restricted (Note 5)	6,500,000	6,500,000
Operating Fund	2,097,294	1,904,026
	8,597,294	8,404,026
	<b>\$ 10,268,336</b>	<b>\$ 9,561,830</b>

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

**The Wild Rose Foundation  
Statement of Cash Flow  
Year ended March 31, 2004**

	2004	2003
Operating Transactions		
Net Operating Results	\$ 193,268	\$ 71,796
Non-cash Items		
Amortization of Tangible Capital Assets	962	1,587
	194,230	73,383
Increase in Accounts Receivable	(445)	(539)
Decrease (Increase) in Prepaid Expenses	1,088	(10,897)
Increase in Accounts Payable and Accrued Liabilities	511,696	600,336
Increase (Decrease) in Unearned Revenue	1,542	(5,823)
Cash Provided by Operating Transactions	708,111	656,460
Cash, Beginning of Year	3,007,059	2,350,599
Cash, End of Year	\$ 3,715,170	\$ 3,007,059

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

**The Wild Rose Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 1 Authority and Purpose**

The Wild Rose Foundation (Foundation) operates under the authority of the *Wild Rose Foundation Act*, Chapter W-8, Revised Statutes of Alberta 2000.

The purposes of the Foundation are:

- To provide funding to volunteer, non-profit organizations that provide valuable services to Albertans;
- To foster or promote the use of volunteers, or to assist those who volunteer or use the services of volunteers in Alberta; and
- To foster or promote charitable, philanthropic, humanitarian, or public spirited acts or to assist those who perform them.

The Foundation is a crown agent of the Government of Alberta and as such has a tax exempt status.

**Note 2 Summary of Significant Accounting Policies and Reporting Practices**

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. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

**(a) Reporting Entity**

The reporting entity is the Wild Rose Foundation, which is part of the Ministry of Community Development (Ministry) and for which the Minister of Community Development (Minister) is accountable. 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.

**(b) Basis of Financial Reporting**

**Revenue**

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.

**The Wild Rose Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Revenue (continued)**

Donations are recognized as revenues when they are received. Donations of materials and services that would otherwise have been purchased are recorded at fair value at the date of donation when fair value can reasonably be determined.

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.

**Expenses**

Directly Incurred

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

Directly incurred expenses include amortization of tangible capital assets.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

Incurred by Others

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

**Assets**

Financial assets of the Foundation are limited to financial claims, such as receivables from other organizations.

Tangible capital assets of the Foundation are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing capital assets is \$5,000.

**Liabilities**

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



**The Wild Rose Foundation  
Notes to the Financial Statements  
Year ended March 31, 2004**

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

**(b) Basis of Financial Reporting (continued)**

**Fair Value**

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 and accrued liabilities are estimated to approximate their carrying values.

**Note 3 Cash and Investment**

Cash consists of deposits in the Consolidated Cash Investment Trust Fund (CCITF) of the Province of Alberta. CCITF is managed by Alberta Finance 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 three years. Interest is earned on the Foundation's daily cash balance at the average rate of CCITF's earnings, which varies depending on prevailing market interest rates.

Investment also consists of deposits in the CCITF. It represents deposits equivalent to the endowment fund balance. These deposits are internally restricted.

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

**Note 4 Tangible Capital Assets**

	Estimated Useful Life	2004		2003	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 years	\$ 10,582	\$ (9,814)	\$ 768	\$ 1,730
Computer Equipment	3 years	18,274	(18,274)	-	-
		<u>\$ 28,856</u>	<u>\$ (28,088)</u>	<u>\$ 768</u>	<u>\$ 1,730</u>

**The Wild Rose Foundation**  
**Notes to the Financial Statements**  
**Year ended March 31, 2004**

**Note 5 Endowment Fund – Internally Restricted**

In 1985, the members of the Foundation directed that the initial contribution from lottery funds amounting to \$4,500,000 be placed in an endowment fund so that the funds are not available for use in its operations. In 1993, a further \$2,000,000 was transferred from the operating fund balance to the endowment fund. The purpose of the fund is to earn income and to retain an ongoing funding capability.

Interest earned on the endowment fund is reported as operating revenue.

**Note 6 Honoraria**

	2004			2003
	Honoraria <sup>(a)</sup>	Benefits and Allowances <sup>(b)</sup>	Total	Total
Board <sup>(c)</sup>				
Chair	\$ 16,832	\$ -	\$ 16,832	\$ 12,814
Other Members (6)	22,383	-	22,383	21,864
	\$ 39,215	\$ -	\$ 39,215	\$ 34,678

(a) The Foundation has no employees. Staff of the Department of Community Development administer the Foundation. Disclosure of information on their salaries and benefits, a requirement under Treasury Directive 12/98, is included in the financial statements of the Department of Community Development.

(b) No benefits were provided to Board members.

(c) Members appointed to the Foundation are paid honoraria for attending Foundation meetings at rates set by Ministerial Order. They are also paid for sub-committee meetings, to attend out of town meetings, and for attending to other Foundation duties.

**Note 7 Commitments**

As at March 31, 2004, the Foundation has the following commitments relating to program contracts and grants:

	2004	2003
2003 – 2004	\$ -	\$ 151,520
2004 – 2005	432,995	-
2005 – 2006	284,197	-
	\$ 717,192	\$ 151,520

**The Wild Rose Foundation  
Notes to the Financial Statements  
Year ended March 31, 2004**

**Note 8 Comparative Figures**

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

**Note 9 Approval of Financial Statements**

The financial statements have been approved by the Board of Directors.

**The Wild Rose Foundation**  
**Expenses – Directly Incurred Detailed by Object**  
**Year ended March 31, 2004**

	2004		2003
	Budget	Actual	Actual
Grants	\$ 5,504,000	\$ 6,441,696	\$ 5,501,899
Supplies and Services	2,229,637	906,380	918,576
Supplies and Services from Support Services Arrangements with Related Parties <sup>(a)</sup>	722,829	709,000	590,000
Honoraria (Note 6)	45,534	39,215	34,678
Amortization of Tangible Capital Assets	1,000	962	1,587
	<u>\$ 8,503,000</u>	<u>\$ 8,097,253</u>	<u>\$ 7,046,740</u>

<sup>(a)</sup> The Foundation receives financial and program related administrative services from the Department of Community Development.

**The Wild Rose Foundation  
Budget  
Year ended March 31, 2004**

	2003-2004 Estimates	Treasury Board Approval	2003-2004 Authorized Budget
<b>Revenues</b>			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 7,766,000	\$ -	\$ 7,766,000
Investment Income	420,000	-	420,000
Premiums, Fees and Licences	156,000	-	156,000
Other Revenue	160,000	-	160,000
	<u>8,502,000</u>	<u>-</u>	<u>8,502,000</u>
<b>Expenses</b>			
Support to Alberta Non-Profit Organizations	4,115,000	-	4,115,000
International Development Program	1,705,000	-	1,705,000
Voluntary Sector Development	1,522,000	-	1,522,000
Vitalize Conference for Volunteers	637,000	-	637,000
Other Initiatives	250,000	-	250,000
Administration	274,000	-	274,000
	<u>8,503,000</u>	<u>-</u>	<u>8,503,000</u>
<b>Net Operating Results</b>	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ (1,000)</u>
<b>Capital Investment</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Wild Rose Foundation  
Related Party Transactions  
Year ended March 31, 2004**

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

The Foundation 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 on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Revenues				
Transfer from Department of Community Development	\$ 7,766,000	\$ 6,550,000	\$ -	\$ -
Expenses – Directly Incurred				
Other services	\$ -	\$ -	\$ 46,873	\$ 38,796
Accounts Payable	\$ 48,638	\$ 13,275	\$ -	\$ -

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

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. These amounts are not recorded in the financial statements and are disclosed in Schedule 4.

	Entities in the Ministry		Other Entities	
	2004	2003	2004	2003
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 41,413	\$ 52,347
Other Services	41,855	36,670	-	12
	\$ 41,855	\$ 36,670	\$ 41,413	\$ 52,359

**The Wild Rose Foundation**  
**Allocated Costs**  
**Year ended March 31, 2004**

Program	Expenses – Incurred by Others				2004	2003
	Expenses <sup>(a)</sup>	Accommodation Costs <sup>(b)</sup>	Other Services <sup>(c)</sup>	Total Expenses	Total Expenses	Total Expenses
Support to Alberta Non-Profit Organizations	\$ 4,476,449	\$ 10,353	\$ 10,464	\$ 4,497,266	\$ 4,497,266	\$ 4,076,659
International Development Program	1,859,514	10,353	10,464	1,880,331	1,880,331	1,698,723
Voluntary Sector Development	794,572	6,212	6,278	807,062	807,062	472,183
Vitalize Conference for Volunteers	521,078	6,212	6,278	533,568	533,568	487,828
Other Initiatives	219,064	4,142	4,186	227,392	227,392	205,371
Administration	226,576	4,141	4,185	234,902	234,902	195,005
	<u>\$ 8,097,253</u>	<u>\$ 41,413</u>	<u>\$ 41,855</u>	<u>\$ 8,180,521</u>	<u>\$ 8,180,521</u>	<u>\$ 7,135,769</u>

<sup>(a)</sup> Expenses – Directly Incurred as per Statement of Operations, excluding evaluation adjustments.

<sup>(b)</sup> Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 3, allocated by square footage.

<sup>(c)</sup> Costs shown for Other Services on Schedule 3, allocated by estimated costs incurred by each program.

