

The Wild Rose Foundation

Financial Statements

March 31, 2006

**The Wild Rose Foundation
Financial Statements
March 31, 2006**

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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 (the Foundation) as at March 31, 2006 and the statements of operations and cash flows 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 Foundation as at March 31, 2006 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 19, 2006

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, 2006
(thousands of dollars)**

| | 2006 | | 2005 |
|--|--------------|-----------------|-----------------|
| | Budget | Actual | Actual |
| Revenues | | | |
| Internal Government Transfers | | | |
| Transfers from Department of Community Development | \$ 7,766 | \$ 7,766 | \$ 7,891 |
| Investment Income | 420 | 355 | 268 |
| Premiums, Fees and Licences | | | |
| - Vitalize Conference for Volunteers | 156 | 128 | 135 |
| Other Revenue | | | |
| Donations | | | |
| - Vitalize Conference for Volunteers | 53 | 54 | 43 |
| Refunds of Expenses | | | |
| - Other Initiatives | 100 | 30 | 3 |
| Miscellaneous Revenue | | | |
| - Vitalize Conference for Volunteers | 7 | 4 | 2 |
| - Other Initiatives | - | 5 | |
| | <u>8,502</u> | <u>8,342</u> | <u>8,342</u> |
| Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 3) | | | |
| Support to Alberta Non-Profit Organizations | 4,492 | 4,953 | 4,851 |
| International Development Program | 1,885 | 1,046 | 1,929 |
| Voluntary Sector Development | 998 | 1,065 | 425 |
| Vitalize Conference for Volunteers | 637 | 716 | 585 |
| Other Initiatives | 257 | 273 | 221 |
| Administration | 233 | 247 | 234 |
| | <u>8,502</u> | <u>8,300</u> | <u>8,245</u> |
| Net Operating Results | <u>\$ -</u> | 42 | 97 |
| Operating Fund Balance at Beginning of Year | | <u>2,194</u> | <u>2,097</u> |
| Operating Fund Balance at End of Year | | <u>\$ 2,236</u> | <u>\$ 2,194</u> |

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

The Wild Rose Foundation
Statement of Financial Position
As at March 31, 2006
(thousands of dollars)

| | 2006 | 2005 |
|---|-----------|-----------|
| Assets | | |
| Cash (Note 3) | \$ 4,489 | \$ 3,526 |
| Accounts Receivable | 1 | 3 |
| Prepaid Expenses | 37 | 62 |
| | 4,527 | 3,591 |
| Investment (Note 3) | 6,500 | 6,500 |
| | \$ 11,027 | \$ 10,091 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 2,291 | \$ 1,396 |
| Unearned Revenue | - | 1 |
| | 2,291 | 1,397 |
| Equity | | |
| Endowment Fund – Internally Restricted (Note 4) | 6,500 | 6,500 |
| Operating Fund | 2,236 | 2,194 |
| | 8,736 | 8,694 |
| | \$ 11,027 | \$ 10,091 |

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

**The Wild Rose Foundation
Statement of Cash Flows
Year ended March 31, 2006
(thousands of dollars)**

| | 2006 | 2005 |
|---|----------|----------|
| Operating Transactions | | |
| Net Operating Results | \$ 42 | \$ 97 |
| Non-cash Items included in Net Operating Results | | |
| Amortization of Tangible Capital Assets | - | 1 |
| | 42 | 98 |
| (Increase) Decrease in Accounts Receivable | 2 | (1) |
| (Increase) Decrease in Prepaid Expenses | 25 | (12) |
| Increase (Decrease) in Accounts Payable and Accrued Liabilities | 895 | (273) |
| Decrease in Unearned Revenue | (1) | (1) |
| | 963 | (189) |
| Cash, Beginning of Year | 3,526 | 3,715 |
| Cash, End of Year | \$ 4,489 | \$ 3,526 |

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

The Wild Rose Foundation
Notes to the Financial Statements
Year ended March 31, 2006

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

(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, 2006

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 3.

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

The Wild Rose Foundation
Notes to the Financial Statements
Year ended March 31, 2006

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

(b) Basis of Financial Reporting (continued)

Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

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 cash, accounts receivable, and accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short-term nature of these instruments.

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 appropriate 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.

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

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

Note 4 Endowment Fund – Internally Restricted (thousands of dollars)

In 1985, the members of the Foundation directed that the initial contribution from lottery funds amounting to \$4,500 be placed in an endowment fund so that the funds are not available for use in its operations. In 1993, a further \$2,000 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.

The Wild Rose Foundation
Notes to the Financial Statements
Year ended March 31, 2006

Note 5 Honoraria (thousands of dollars)

| | 2006 | | | 2005 |
|----------------------|--------------------------|--|-------|-------|
| | Honoraria ^(a) | Benefits and Allowances ^(b) | Total | Total |
| Board ^(c) | | | | |
| Chair | \$ 16 | \$ - | \$ 16 | \$ 16 |
| Other Members (6) | 23 | - | 23 | 27 |
| | \$ 39 | \$ - | \$ 39 | \$ 43 |

(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 03/2004, 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 6 Contractual Obligations (thousands of dollars)

| | 2006 | 2005 |
|-------------------|----------|--------|
| Grant Agreements | \$ 1,234 | \$ 372 |
| Service Contracts | 343 | 197 |
| | \$ 1,577 | \$ 569 |

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

| | Grant Agreements | Service Contracts | Total |
|------|------------------|-------------------|----------|
| 2007 | \$ 600 | \$ 140 | \$ 740 |
| 2008 | 509 | 107 | 616 |
| 2009 | 125 | 96 | 221 |
| | \$ 1,234 | \$ 343 | \$ 1,577 |

The Wild Rose Foundation
Notes to the Financial Statements
Year ended March 31, 2006

Note 7 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, 2006
(thousands of dollars)

| | 2006 | | 2005 |
|--|-----------------|-----------------|-----------------|
| | Budget | Actual | Actual |
| Grants | \$ 6,621 | \$ 6,301 | \$ 6,512 |
| Supplies and Services | 1,032 | 1,146 | 954 |
| Supplies and Services from Support Services | | | |
| Arrangements with Related Parties ^(a) | 814 | 814 | 735 |
| Honoraria (Note 5) | 35 | 39 | 43 |
| Amortization of Tangible Capital Assets | - | - | 1 |
| | <u>\$ 8,502</u> | <u>\$ 8,300</u> | <u>\$ 8,245</u> |

^(a) The Foundation receives financial and program related administrative services from the Department of Community Development.

**The Wild Rose Foundation
Related Party Transactions
Year ended March 31, 2006
(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.

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:

| | <u>Entities in the Ministry</u> | | <u>Other Entities</u> | |
|--|---------------------------------|----------|-----------------------|-------|
| | 2006 | 2005 | 2006 | 2005 |
| Revenues | | | | |
| Transfers from Department of Community Development | \$ 7,766 | \$ 7,891 | \$ - | \$ - |
| Expenses – Directly Incurred | | | | |
| Other services | \$ - | \$ - | \$ 29 | \$ 38 |
| Accounts Payable | \$ 33 | \$ 45 | \$ - | \$ - |

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 but are disclosed in Schedule 3.

| | <u>Entities in the Ministry</u> | | <u>Other Entities</u> | |
|-------------------------------|---------------------------------|--------------|-----------------------|--------------|
| | 2006 | 2005 | 2006 | 2005 |
| Expenses – Incurred by Others | | | | |
| Accommodation | \$ - | \$ - | \$ 54 | \$ 50 |
| Other Services | 46 | 42 | - | - |
| Legal | - | - | 3 | - |
| | <u>\$ 46</u> | <u>\$ 42</u> | <u>\$ 57</u> | <u>\$ 50</u> |

**The Wild Rose Foundation
Allocated Costs
Year ended March 31, 2006
(thousands of dollars)**

| Program | Expenses – Incurred by Others | | | | | 2005 |
|---|-------------------------------|------------------------------------|-------------------------------|-------------------------------|-----------------|-----------------|
| | Expenses ^(a) | Accommodation Costs ^(b) | Other Services ^(c) | Legal Services ^(d) | Total Expenses | Total Expenses |
| Support to Alberta Non-Profit Organizations | \$ 4,953 | \$ 14 | \$ 11 | \$ - | \$ 4,978 | \$ 4,874 |
| International Development Program | 1,046 | 14 | 11 | 3 | 1,074 | 1,952 |
| Voluntary Sector Development | 1,065 | 8 | 7 | - | 1,080 | 439 |
| Vitalize Conference for Volunteers | 716 | 8 | 7 | - | 731 | 599 |
| Other Initiatives | 273 | 5 | 5 | - | 283 | 230 |
| Administration | 247 | 5 | 5 | - | 257 | 243 |
| | <u>\$ 8,300</u> | <u>\$ 54</u> | <u>\$ 46</u> | <u>\$ 3</u> | <u>\$ 8,403</u> | <u>\$ 8,337</u> |

- (a) Expenses – Directly Incurred as per Statement of Operations, excluding valuation adjustments.
 (b) Costs shown for Accommodation (includes grants in lieu of taxes) on Schedule 2, allocated by square footage.
 (c) Costs shown for Other Services on Schedule 2, allocated by estimated costs incurred by each program.
 (d) Costs shown for Legal Services on Schedule 2, allocated by estimated costs incurred by each program.