

The Wild Rose Foundation

Financial Statements

March 31, 2002

**THE WILD ROSE FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2002**

Auditor's Report

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AUDITOR'S REPORT

To the Directors of The Wild Rose Foundation

I have audited the statement of financial position of The Wild Rose Foundation 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 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, 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.

Original Signed By Fred Dunn, CA
Auditor General

Edmonton, Alberta
May 23, 2002

THE WILD ROSE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002

	2002		2001
	Budget (Schedule 2)	Actual	Actual
Revenues:			
Internal Government transfers			
Transfers from Department of Community Development	\$ 6,600,000	\$ 6,526,000	\$ -
Transfers from the Lottery Fund	-	-	6,600,000
Fees, permits, and licences			
- Vitalize Conference for Volunteers	120,000	158,738	129,478
Investment income			
	475,000	387,510	574,692
Other Revenue			
Donations			
- Vitalize Conference for Volunteers	110,000	46,041	61,534
- Other initiatives	-	12,500	-
Refunds of expenses			
- Vitalize Conference for Volunteers	-	-	100
- Other initiatives	30,000	108,830	143,332
Miscellaneous revenue			
- Vitalize Conference for Volunteers	50,000	13,872	13,233
	<u>7,385,000</u>	<u>7,253,491</u>	<u>7,522,369</u>
Expenses - Directly Incurred (Note 2b and Schedules 1 and 4)			
Support to Alberta non-profit organizations	4,130,000	4,124,097	4,347,898
International development program	1,696,000	1,635,348	1,645,182
Vitalize conference for volunteers	543,000	554,753	535,859
Other Initiatives	755,000	643,851	521,369
Administration	263,000	246,139	237,871
	<u>7,387,000</u>	<u>7,204,188</u>	<u>7,288,179</u>
Net operating results	<u>\$ (2,000)</u>	<u>49,303</u>	<u>234,190</u>
Operating fund balance at beginning of year		<u>1,782,927</u>	<u>1,548,737</u>
Operating fund balance at end of year		<u>\$ 1,832,230</u>	<u>\$ 1,782,927</u>

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

THE WILD ROSE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2002

	2002	2001
ASSETS		
Current assets:		
Cash (Note 3)	\$ 2,350,599	\$ 3,291,793
Accounts receivable	768	750
Prepaid expenses	40,837	1,546
	2,392,204	3,294,089
Investment (Note 3)	6,500,000	6,500,000
Capital assets (Note 4)	3,317	4,904
	\$ 8,895,521	\$ 9,798,993
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 557,468	\$ 1,511,530
Unearned revenue	5,823	4,536
	563,291	1,516,066
Equity:		
Endowment fund - internally restricted (Note 5)	6,500,000	6,500,000
Operating fund	1,832,230	1,782,927
	8,332,230	8,282,927
	\$ 8,895,521	\$ 9,798,993

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

THE WILD ROSE FOUNDATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2002

	2002	2001
Operating transactions:		
Net operating results	\$ 49,303	\$ 234,190
Non-cash items		
Amortization of capital assets	1,587	1,588
	50,890	235,778
Decrease (increase) in accounts receivable	(18)	159
Increase in prepaid expenses	(39,291)	(546)
Decrease in accounts payable and accrued liabilities	(954,062)	(81,232)
Increase (decrease) in unearned revenue	1,287	(2,153)
Cash provided by (used for) operating transactions	(941,194)	152,006
Increase (decrease) in cash	(941,194)	152,006
Cash at beginning of year	3,291,793	3,139,787
Cash at end of year	\$ 2,350,599	\$ 3,291,793

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

THE WILD ROSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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:

- (a) to provide funding to volunteer, non-profit organizations that provide valuable services to Albertans;
- (b) to foster or promote the use of volunteers, or to assist those who volunteer or use the services of volunteers in Alberta; and
- (c) 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

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

(a) Reporting Entity

The reporting entity is the Foundation, which is part of the Ministry of Community Development and for which the Minister of Community Development 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.

THE WILD ROSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

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

(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.

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 when it 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 capital assets.

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.

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.

THE WILD ROSE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

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

(b) Basis of Financial Reporting (continued)

Liabilities

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

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, advances, accounts payable and accrued liabilities, and unearned revenues are estimated to approximate their book 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 five 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 restricted in accordance with the terms of the endowment.

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

Note 4 Capital Assets

	Estimated Useful Life	2002			2001
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	7 years	\$ 10,582	\$ (7,265)	\$ 3,317	\$ 4,904
Computer equipment	3 years	18,274	(18,274)	-	-
		<u>\$ 28,856</u>	<u>\$ (25,539)</u>	<u>\$ 3,317</u>	<u>\$ 4,904</u>

THE WILD ROSE FOUNDATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2002

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

	2002			2001
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board ^(c) :				
Chair	\$ 12,692	\$ -	\$ 12,692	\$ 16,728
Other members (6)	29,830	-	29,830	21,412
	\$ 42,522	\$ -	\$ 42,522	\$ 38,140

^(a) The Foundation has no employees. Staff of the Department of Community Development administers 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.

THE WILD ROSE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2002

Note 7 Commitments

As at March 31, 2002, the Foundation had the following commitments:

	<u>2002</u>	<u>2001</u>
Service contracts	<u>\$ 63,200</u>	<u>\$ -</u>

Note 8 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
FOR THE YEAR ENDED MARCH 31, 2002

	<u>2002</u>		<u>2001</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Grants	\$ 5,504,000	\$ 5,447,969	\$ 5,703,600
Supplies and services	1,261,466	1,121,110	944,851
Supplies and services from support services arrangements with related parties (a)	591,000	591,000	600,000
Honoraria (Note 6)	28,534	42,522	38,140
Amortization	2,000	1,587	1,588
	<u>\$ 7,387,000</u>	<u>\$ 7,204,188</u>	<u>\$ 7,288,179</u>

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

THE WILD ROSE FOUNDATION
BUDGET
FOR THE YEAR ENDED MARCH 31, 2002

	2001 - 2002 Estimates	Treasury Board Approval	2001 - 2002 Authorized Budget
Revenues:			
Internal Government transfers			
Transfer from Department of Community Development	\$ 6,600,000	-	\$ 6,600,000
Investment income	475,000	-	475,000
Premiums, fees and licences	120,000	-	120,000
Other revenue	190,000	-	190,000
	<u>7,385,000</u>	<u>-</u>	<u>7,385,000</u>
Expenses:			
Support to Alberta non-profit organizations	4,130,000	-	4,130,000
International development program	1,696,000	-	1,696,000
Vitalize conference for volunteers	543,000	-	543,000
Other Initiatives	755,000	-	755,000
Administration	263,000	-	263,000
	<u>7,387,000</u>	<u>-</u>	<u>7,387,000</u>
Net operating results	<u>\$ (2,000)</u>	<u>\$ -</u>	<u>\$ (2,000)</u>
Capital investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The budget was approved by the Board of Directors on Dec. 6, 2000.

THE WILD ROSE FOUNDATION
RELATED PARTY TRANSACTIONS
FOR THE YEAR ENDED MARCH 31, 2002

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

The Foundation and its employees 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 Foundation had the following transactions with related parties recorded in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2002	2001	2002	2001
Revenues:				
Transfer from Department of Community Development	\$ 6,526,000	\$ -	\$ -	\$ -
Transfers from the Lottery Fund	-	-	-	6,600,000
	<u>\$ 6,526,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,600,000</u>
Expenses - directly incurred:				
Other services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,692</u>	<u>\$ 17,789</u>

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	
	2002	2001	2002	2001
Expenses - incurred by others:				
Accommodation	\$ -	\$ -	\$ 36,469	\$ 37,596
Other services	32,478	30,291	12	328
	<u>\$ 32,478</u>	<u>\$ 30,291</u>	<u>\$ 36,481</u>	<u>\$ 37,924</u>

THE WILD ROSE FOUNDATION
ALLOCATED COSTS
FOR THE YEAR ENDED MARCH 31, 2002

Program	2002				2001	
	Expenses ⁽¹⁾	Expenses - incurred by others			Total Expenses	Total Expenses
		Accommodation Costs	Legal Costs	Other services		
Support to Alberta non-profit organizations	\$ 4,124,097	\$ 10,941	\$ -	\$ 9,743	\$ 4,144,781	\$ 4,370,526
International development program	1,635,348	10,941	-	9,743	\$ 1,656,032	1,660,268
Vitalize conference for volunteers	554,753	5,470	-	4,872	\$ 565,095	550,945
Other Initiatives	643,851	5,470	-	4,872	\$ 654,193	528,912
Administration	246,139	3,647	12	3,248	\$ 253,046	245,742
	<u>\$ 7,204,188</u>	<u>\$ 36,469</u>	<u>\$ 12</u>	<u>\$ 32,478</u>	<u>\$ 7,273,147</u>	<u>\$ 7,356,393</u>

⁽¹⁾ Expenses - directly incurred is per Statement of Operations.

