

The Wild Rose Foundation

Financial Statements

March 31, 2003

**The Wild Rose Foundation
Financial Statements
March 31, 2003**

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Changes in Financial Position

Notes to the Financial Statements

Schedule 1 – Expenses – Directly Incurred Detailed by Object

Schedule 2 – Budget

Schedule 3 – Related Party Transactions

Schedule 4 – Allocated Costs



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, 2003 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 Wild Rose Foundation 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.

Edmonton, Alberta
May 23, 2003

Original Signed by Fred J. Dunn, FCA
Auditor General

The Wild Rose Foundation
Statement of Operations
For the year ended March 31, 2003

	2003		2002
	Budget (Schedule 2)	Actual	Actual
Revenues			
Internal Government Transfers			
Transfers from Department of Community Development	\$ 6,550,000	\$ 6,550,000	\$ 6,526,000
Investment Income	475,000	300,399	387,510
Premiums, Fees and Licences			
- Vitalize Conference for Volunteers	140,000	136,719	158,738
Other Revenue			
Donations			
- Vitalize Conference for Volunteers	60,000	25,284	46,041
- Other Initiatives	-	-	12,500
Refunds of Expenses			
- Other Initiatives	50,000	94,909	108,830
Miscellaneous Revenue			
- Vitalize Conference for Volunteers	50,000	11,225	13,872
	<u>7,325,000</u>	<u>7,118,536</u>	<u>7,253,491</u>
Expenses – Directly Incurred (Note 2(b) and Schedules 1 and 4)			
Support to Alberta Non-Profit Organizations	4,060,000	4,049,954	4,124,097
International Development Program	1,696,000	1,672,018	1,635,348
Vitalize Conference for Volunteers	543,000	474,475	554,753
Other Initiatives	765,000	664,202	643,851
Administration	263,000	186,091	246,139
	<u>7,327,000</u>	<u>7,046,740</u>	<u>7,204,188</u>
Net Operating Results	<u>\$ (2,000)</u>	71,796	49,303
Operating Fund Balance at Beginning of Year		<u>1,832,230</u>	<u>1,782,927</u>
Operating Fund Balance at End of Year		<u>\$ 1,904,026</u>	<u>\$ 1,832,230</u>

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

**The Wild Rose Foundation
Statement of Financial Position
As at March 31, 2003**

	2003	2002
Assets		
Current Assets		
Cash (Note 3)	\$ 3,007,059	\$ 2,350,599
Accounts Receivable	1,307	768
Prepaid Expenses	51,734	40,837
	3,060,100	2,392,204
Investment (Note 3)	6,500,000	6,500,000
Capital Assets (Note 4)	1,730	3,317
	\$ 9,561,830	\$ 8,895,521
Liabilities and Equity		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 1,157,804	\$ 557,468
Unearned Revenue	-	5,823
	1,157,804	563,291
Equity		
Endowment Fund – Internally Restricted (Note 5)	6,500,000	6,500,000
Operating Fund	1,904,026	1,832,230
	8,404,026	8,332,230
	\$ 9,561,830	\$ 8,895,521

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, 2003

	2003	2002
Operating Transactions		
Net Operating Results	\$ 71,796	\$ 49,303
Non-cash Items		
Amortization of Capital Assets	1,587	1,587
	73,383	50,890
(Increase) in Accounts Receivable	(539)	(18)
Increase in Prepaid Expenses	(10,897)	(39,291)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	600,336	(954,062)
Increase (Decrease) in Unearned Revenue	(5,823)	1,287
Cash Provided by (Used for) Operating Transactions	656,460	(941,194)
Increase (Decrease) in Cash	656,460	(941,194)
Cash at Beginning of Year	2,350,599	3,291,793
Cash at End of Year	\$ 3,007,059	\$ 2,350,599

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, 2003

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 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.

(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
For the year ended March 31, 2003

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 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.

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
For the year ended March 31, 2003

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, prepaid expenses, 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	2003		2002	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
General Capital Assets					
Equipment	7 years	\$ 10,582	\$ (8,852)	\$ 1,730	\$ 3,317
Computer Equipment	3 years	18,274	(18,274)	-	-
		<u>\$ 28,856</u>	<u>\$ (27,126)</u>	<u>\$ 1,730</u>	<u>\$ 3,317</u>

**The Wild Rose Foundation
Notes to the Financial Statements
For the year ended March 31, 2003**

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

	2003		2002	
	Honoraria ^(a)	Benefits and Allowances ^(b)	Total	Total
Board ^(c)				
Chair	\$ 12,814	\$ -	\$ 12,814	\$ 12,692
Other Members (6)	21,864	-	21,864	29,830
	<u>\$ 34,678</u>	<u>\$ -</u>	<u>\$ 34,678</u>	<u>\$ 42,522</u>

(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.

Note 7 Commitments

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

	2003	2002
Service Contracts	<u>\$ 151,520</u>	<u>\$ 63,200</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, 2003

	2003		2002
	Budget	Actual	Actual
Grants	\$ 5,454,000	\$ 5,501,899	\$ 5,447,969
Supplies and Services	1,154,000	918,576	1,121,110
Supplies and Services from Support Services Arrangements with Related Parties(a)	673,000	590,000	591,000
Honoraria (Note 6)	44,000	34,678	42,522
Amortization	2,000	1,587	1,587
	\$ 7,327,000	\$ 7,046,740	\$ 7,204,188

(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, 2003

	2002-2003 Estimates ^(a)	Treasury Board Approval	2002-2003 Authorized Budget
Revenues			
Internal Government Transfers			
Transfer from the Department of Community Development	\$ 6,550,000	\$ -	\$ 6,550,000
Investment Income	475,000	-	475,000
Premiums, Fees and Licences	140,000	-	140,000
Other Revenue	160,000	-	160,000
	<u>7,325,000</u>	<u>-</u>	<u>7,325,000</u>
Expenses			
Support to Alberta Non-Profit Organizations	4,060,000	-	4,060,000
International Development Program	1,696,000	-	1,696,000
Vitalize Conference for Volunteers	543,000	-	543,000
Other Initiatives	765,000	-	765,000
Administration	263,000	-	263,000
	<u>7,327,000</u>	<u>-</u>	<u>7,327,000</u>
Net Operating Results	<u>\$ (2,000)</u>	<u>\$ -</u>	<u>\$ (2,000)</u>
Capital Investment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

^(a) The budget was approved by the Board of Directors on December 6, 2001.

**The Wild Rose Foundation
Related Party Transactions
For the year ended March 31, 2003**

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 in the financial statements at the amount of consideration agreed upon between the related parties:

	Entities in the Ministry		Other Entities	
	2003	2002	2003	2002
Revenues				
Transfers from Department of Community Development	\$ 6,550,000	\$ 6,526,000	\$ -	\$ -
Expenses – Directly Incurred				
Other services	\$ -	\$ -	\$ 38,796	\$ 42,692
Accounts Payable	\$ 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	
	2003	2002	2003	2002
Expenses – Incurred by Others				
Accommodation	\$ -	\$ -	\$ 52,347	\$ 36,469
Other Services	36,670	32,478	12	12
	\$ 36,670	\$ 32,478	\$ 52,359	\$ 36,481

The Wild Rose Foundation
Allocated Costs
For the year ended March 31, 2003

Program	Expenses -- Incurred by Others					Total Expenses	Total Expenses
	Expenses ^(a)	Accommodation Costs	Legal Costs	Other Services	Total Expenses		
						2002	2003
Support to Alberta Non-Profit Organizations	\$ 4,049,954	\$ 15,704	\$ -	\$ 11,001	\$ 4,076,659	\$ 4,144,781	
International Development Program	1,672,018	15,704	-	11,001	1,698,723	1,656,032	
Vitalize Conference for Volunteers	474,475	7,852	-	5,501	487,828	565,095	
Other Initiatives	664,202	7,852	-	5,500	677,554	654,193	
Administration	186,091	5,235	12	3,667	195,005	253,046	
	<u>\$ 7,046,740</u>	<u>\$ 52,347</u>	<u>\$ 12</u>	<u>\$ 36,670</u>	<u>\$ 7,135,769</u>	<u>\$ 7,273,147</u>	

^(a) Expenses -- Directly Incurred as per Statement of Operations.