



# **Medicine Hat College Foundation**

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## **Financial Statements**

**June 30, 2005**

**MEDICINE HAT COLLEGE FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2005**

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## Auditor's Report

To the Board of Directors of Medicine Hat College Foundation

I have audited the statement of financial position of the Medicine Hat College Foundation as at June 30, 2005 and the statement of operations and changes in net assets 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 June 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*[Original copy signed by  
Fred Dum]*

FCA  
Auditor General

Edmonton, Alberta  
September 16, 2005

[ The official version of this Report of the Auditor General is in printed form.]

**MEDICINE HAT COLLEGE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2005**

	<u>2005</u>	<u>2004</u>
<b>ASSETS</b>		
<b>Current Assets</b>	\$ <u>          -</u>	<u>          -</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Net Assets:</b>		
Unrestricted net assets	<u>          -</u>	<u>          -</u>
	\$ <u>          -</u>	\$ <u>          -</u>

The accompanying notes are part of these financial statements.

Approved on behalf of the Board:

\_\_\_\_\_  
Al Arelis  
Board Chair

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Cori Cuthbertson  
Vice Chair

**MEDICINE HAT COLLEGE FOUNDATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

	<b>2005</b>		<b>2004</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue:</b>			
	(Note 6)		
Donations			
Scholarships - Annual	\$ 115,000	\$ 111,385	\$ 96,215
Scholarships - Endowments	22,000	27,613	18,903
Designated Purposes			
Power Engineering Project	430,000	253,364	15,947
Medicine Hat Campus Expansion	-	22,396	30,955
Brooks Residence Project	20,000	5,363	10,460
Other (including fundraising projects)	30,000	33,220	44,446
Gifts in kind	-	3,176	1,945
Grants	-	-	84,460
	<u>617,000</u>	<u>456,517</u>	<u>303,331</u>
Contribution from Medicine Hat College	84,200	79,465	68,027
	<u>701,200</u>	<u>535,982</u>	<u>371,358</u>
<b>Expense:</b>			
Seconded services	64,600	64,708	60,543
Contract for services	600	854	1,237
Office supplies	3,500	2,036	1,684
Telephone	500	52	25
Travel and professional development	2,500	7,561	-
Public relations	2,500	832	1,218
Donor recognition	4,000	2,022	2,057
Printing	1,000	775	616
Postage	1,500	625	405
Advertising	3,500	-	242
	<u>84,200</u>	<u>79,465</u>	<u>68,027</u>
<b>Excess of revenue over expense before transfers to Medicine Hat College</b>	617,000	456,517	303,331
Transfers to Medicine Hat College	(617,000)	(456,517)	(303,331)
<b>Excess of revenue over expense</b>	-	-	-
Net Assets, beginning of year	-	-	-
<b>Net Assets, end of year</b>	\$ -	\$ -	\$ -

**MEDICINE HAT COLLEGE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2005**

**Note 1 Authority and Purpose**

The Medicine Hat College Foundation is a registered public foundation incorporated under part 9 of the Companies Act of Alberta. The Foundation is a registered charity, and is exempt from the payment of income tax under Section 149 of the Income Tax Act.

The Foundation was created to solicit, receive and administer funds and property donated for the advancement of Medicine Hat College.

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

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The measurement of certain assets and liabilities is contingent upon future events; therefore, the preparation of these financial statements requires the use of estimates, which may vary from actual results. The following accounting policies and reporting practices are considered significant.

(a) Revenue Recognition

Unrestricted contributions are recognized in the period they are receivable.

Gifts in kind are recorded at fair value, when fair value can be reasonably estimated. Gifts in kind are recorded at nominal values when fair value cannot be reasonably estimated.

The Foundation raises funds exclusively for College purposes, whether it is College programs, capital projects or College administered scholarships. As a result, all funds raised by the Foundation are flowed through to the College to be administered by the College in accordance with the restrictions, if any, of the donor. As such, all donations both restricted and unrestricted are recorded as revenue in the period they are received.

(b) Basis of Presentation

The Foundation is a subsidiary of the Medicine Hat College. These financial statements include the activities of the Foundation only.

**MEDICINE HAT COLLEGE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

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

(c) Statement of Financial Position

It is the practice of the Foundation to transfer donations received during the year to Medicine Hat College. Medicine Hat College in turn funds the Foundation's administrative expenses.

**Note 3 Related Party Transactions**

During the year, the following transactions took place between the Foundation and Medicine Hat College.

	2005	2004
Funds from donations, grants and fundraising projects provided by the Foundation to the College	\$ 456,517	\$ 303,331
Less - Operating funds provided to the Foundation from the College	(79,465)	(68,027)
Net Contribution to the College	\$ 377,052	\$ 235,304

In addition, the College provides certain administrative services and accommodations at no cost to the Foundation.

The Foundation is economically dependent upon the College as the operating expenses are funded by the College.

**Note 4 Statement of Cash Flows**

A Statement of Cash Flows is not provided, as cash flow is readily apparent from the other financial statements and the notes to the financial statements.

**MEDICINE HAT COLLEGE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2005**

**Note 5 Capital Fundraising Projects**

The following is the status of fundraising as it relates to major capital projects:

**MEDICINE HAT COLLEGE FOUNDATION**

	<u>Pre-2005</u>	<u>Actual 2005</u>	<u>Total</u>	<u>Project Target</u>
<b>Power Engineering Project:</b>				
Donations received	\$ 16,707	\$ 253,364	\$ 270,071	
	<u>\$ 16,707</u>	<u>253,364</u>	<u>270,071</u>	
Pledges Receivable				
Alberta Infrastructure funding		1,000,000	1,000,000	
Unconditional		415,860	415,860	
		<u>\$ 1,669,224</u>	<u>\$ 1,685,931</u>	<u>\$ 3,800,000</u>
Percent of Actual to-date to total Project Budget			<u>44%</u>	
<b>Medicine Hat Campus Expansion:</b>				
Donations received	\$ 1,046,768	\$ 22,396	\$ 1,069,164	
Gifts in kind	21,320	-	21,320	
Fundraising projects	33,126	-	33,126	
Grants	78,000	-	78,000	
	<u>\$ 1,179,214</u>	<u>22,396</u>	<u>1,201,610</u>	
Pledges Receivable				
Unconditional		23,000	23,000	
		<u>\$ 45,396</u>	<u>\$ 1,224,610</u>	<u>\$ 1,700,000</u>
Percent of Actual to-date to total Project Budget			<u>72%</u>	
<b>Brooks Residence Project:</b>				
Donations received	\$ 143,836	\$ 5,363	\$ 149,199	
	<u>\$ 143,836</u>	<u>5,363</u>	<u>149,199</u>	
Pledges Receivable				
Unconditional		-	-	
		<u>\$ 5,363</u>	<u>\$ 149,199</u>	<u>\$ 200,000</u>
Percent of Actual to-date to total Project Budget			<u>75%</u>	

**MEDICINE HAT COLLEGE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2005**

**Note 5      Capital Fundraising Projects (continued)**

The estimated realizable value of pledges receivable at June 30, 2005 was \$ 438,860 (2004 - \$ 49,496). These pledges are expected to be honoured over the next 3 years and are not recorded as income or assets in these financial statements. The pledge information is presented for information purposes only.

**Note 6      Budget**

The budgeted figures in these statements represent the budget, as it relates to the Foundation, approved by the College's Board of Governors at their regular meeting of April 20, 2004.

**Note 7      Comparative Figures**

Certain June 30, 2004 figures have been reclassified to conform to the current year presentation.