

**MEDICINE HAT  
COLLEGE**



**FOUNDATION**

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**Financial Statements**

**June 30, 2006**

**MEDICINE HAT COLLEGE FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2006**

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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, 2006 and the statement of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Medicine Hat College 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, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

*[Original copy signed by  
Fred Dunn, FCA]*

Auditor General

Edmonton, Alberta  
September 15, 2006

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

**MEDICINE HAT COLLEGE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2006**

	<u>2006</u>	<u>2005</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:

[Original signed by Cori Cuthbertson]  
 Cori Cuthbertson  
 Board Chair

[Original signed by Ken Reeder]  
 Ken Reeder  
 Vice Chair

**MEDICINE HAT COLLEGE FOUNDATION**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	2006		2005
	Budget	Actual	Actual
<b>Revenue:</b>	(Note 6)		
Donations			
Scholarships - Annual	\$ 100,000	\$ 147,768	\$ 111,385
Scholarships - Endowments	20,000	183,500	27,613
Designated Purposes			
Power Engineering Project	415,000	199,728	253,364
Alumni Hall Project	-	251,966	-
Other designated donations	21,000	62,803	60,979
Gifts in kind	-	10,325	3,176
	<u>556,000</u>	<u>856,090</u>	<u>456,517</u>
Contribution from Medicine Hat College	89,700	81,708	79,465
	<u>645,700</u>	<u>937,798</u>	<u>535,982</u>
<b>Expense:</b>			
Seconded services	67,700	68,532	64,708
Contract for services	1,300	699	854
Office supplies	2,000	409	2,036
Telephone	200	44	52
Travel and professional development	6,000	4,836	7,561
Public relations	2,500	2,167	832
Donor recognition	4,000	667	2,022
Printing	1,000	112	775
Postage	1,500	576	625
Advertising	3,500	3,666	-
	<u>89,700</u>	<u>81,708</u>	<u>79,465</u>
<b>Excess of revenue over expense before transfers to Medicine Hat College</b>	556,000	856,090	456,517
Transfers to Medicine Hat College	(556,000)	(856,090)	(456,517)
<b>Excess of revenue over expense</b>	-	-	-
Net Assets, beginning of year	-	-	-
<b>Net Assets, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are part of these financial statements.

**MEDICINE HAT COLLEGE FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

**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 as income 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, 2006**

**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.

	2006	2005
Funds from donations, grants and fundraising projects provided by the Foundation to the College	\$ 856,090	\$ 456,517
Less - Operating funds provided to the Foundation from the College	(81,708)	(79,465)
Net Contribution to the College	\$ 774,382	\$ 377,052

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 financial statements and the notes to the financial statements.

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

**FOR THE YEAR ENDED JUNE 30, 2006**

**Note 5 Capital Fundraising Projects**

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

	<u>Pre-2006</u>	<u>Actual 2006</u>	<u>Total</u>	<u>Project Target</u>
<b>Power Engineering Project:</b>				
Donations received	\$ 270,071	\$ 199,728	\$ 469,799	
Grants received by Medicine Hat College from Alberta Infrastructure and Transportation	-	1,000,000	1,000,000	
	<u>\$ 270,071</u>	<u>1,199,728</u>	<u>1,469,799</u>	
Pledges Receivable				
Unconditional		<u>887,130</u>	<u>887,130</u>	
		\$ 2,086,858	\$ 2,356,929	\$ 4,600,000
Percent of Actual to-date to total Project Budget			<u>51%</u>	
<b>Alumni Hall Project:</b>				
Donations received	\$ -	\$ 251,966	\$ 251,966	
	<u>\$ -</u>	<u>251,966</u>	<u>251,966</u>	
Pledges Receivable				
Unconditional		<u>248,034</u>	<u>248,034</u>	
		\$ 500,000	\$ 500,000	To be established
Percent of Actual to-date to total Project Budget			<u>N/A</u>	

The estimated realizable value of pledges receivable at June 30, 2006 was \$ 1,135,164 (2005 - \$ 438,860). 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.

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

**FOR THE YEAR ENDED JUNE 30, 2006**

**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 12, 2005.

**Note 7      Comparative Figures**

Certain June 30, 2005 figures have been reclassified to conform to the current year presentation.