

**WINNIFRED STEWART FOUNDATION
ANNUAL REPORT
YEAR ENDED MARCH 31, 2002**

The past year has been an eventful one for the Winnifred Stewart Foundation and a time of significant change. The following items are of note:

Planned Giving Program

The Foundation engaged Nena Jovic Adrejevic to implement our planned giving program. Significant efforts were spent developing background material as well as an estate-planning vehicle that is specifically geared to parents or guardians with mentally handicapped dependants. Several seminars were held to discuss the issues that must be considered in estate planning for these individuals and how planned giving can enhance these plans. We are very pleased with the response to our activities and look forward to continuing to build our relationships in the future.

Investment Portfolio

In July 2001, we engaged ADROIT Investment Management Ltd. to manage the Foundation's investment portfolio. ADROIT is an Edmonton based investment counselor with assets under management of over \$300 million. The Foundation felt that ADROIT's investment philosophy of "preservation of capital in real terms" best coincides with our own objectives. Although the past year has been a challenging one for financial markets with the aftermath of September 11th and record low interest rates, we are satisfied with the performance of our investment portfolio. In September 2001, we transferred \$867,000 to ADROIT and at March 31st, the fair value of our portfolio totaled \$929,000.

Casino

We held a casino in January and thanks to the volunteers provided by the Winnifred Stewart Association for the Mentally Handicapped were able to raise \$67,000.

During the past year, the Foundation lost two of the original members of our board – Roy Watson and John Whalley. These individuals made an immeasurable contribution to the Winnifred Stewart organization and we miss their wise counsel and the history that they brought to our deliberations.

Although fiscal 2002 was an exciting year for the Foundation, next year will provide new challenges:

Fund Development

Effective April 1, 2002, the Foundation has assumed responsibility for all fund development for the Winnifred Stewart Association as well as responsibility for managing the non-operating investments of the Association. This transition allows the boards of the Association and Foundation to focus their energy and attention on specific mandates. The Association board will focus on service delivery and the Foundation on fund development and investment management. Although the two organizations have always been closely tied, this agreement will significantly increase the interaction between the two groups as we both work towards the same overall goals;

Board Composition and Bylaws

Over the next year, the Foundation will review our board composition and bylaws to ensure that we have the appropriate resources available to meet the needs of the Winnifred Stewart family in both fund development and investment management. We look forward to bringing together a group of individuals who have the appropriate skills and a keen interest in the Winnifred Stewart organization; and

50th Anniversary

We look forward to celebrating the 50th Anniversary of the Winnifred Stewart Association and in conjunction with that celebration to raising funds to build 1 or 2 additional Assisted Living Homes as the Foundation assists the Association in meeting the priorities of our clients.

The Foundation is excited about meeting the challenges that face us in the coming year.

Yours truly,

Carolyn Graham
President

Dennis Stockman
Secretary/Treasurer
Executive Director (Winnifred Stewart Association)

Winnifred Stewart Foundation Board of Directors

Carolyn Graham, President
Gunnar Anderson, Vice-President
Ken Kowalski, Past President
Dennis Stockman, Secretary/Treasurer
Stan Fisher
Rich Healey
Albert Knowler
Frank McMillan
Shirley Pitts
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